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The Nation's Business

Canadian Farming to be Remolded
Business Leaders Tackle Problem
Stability for Our Prosperity is Objective

RECONSTRUCTION FOR AGRICULTURE

THE rebuilding of Western agriculture is not a job to be accomplished in a day. E. W. Beatty, in his able survey of western farm problems and methods for their solution, delivered in Winnipeg on Monday evening, said that the work of the new Dominion Agricultural Credit Corporation could only be effective over "a period of years." It is, said the chairman and president of the Canadian corporation most vitally interested in farm prosperity:

"A permanent piece of machinery being introduced to the industry of agriculture with a view to developing and maintaining additional sources of sustenance and of revenue from our farms. The permanency of this development should be recognized. It is obvious that the business of farming does not lend itself to sudden changes in policy, in so far as livestock production is concerned, with any profit to the producer."

In similar vein the outline of policy offered by Hon. Robert Weir, minister of agriculture on the same day in Montreal, gave no indication of any very early solution of western farm ills, but indicated the minister's determination to work along sound lines gradually to evolve greater stability in prosperity through diversity in production and the establishment of more efficient marketing machinery for the products of diversified farms.

Still another great Westerner declares the rebuilding of western agriculture to be a ten year job.

* * *

BUT while we can best tackle this problem by having a due appreciation of its immensity and of the value of slowly remolding conditions, it must not be concluded that no prosperity can issue from the West in the next few years. Diversified farming is offered not as a means to achieve immediate prosperity, since wheat itself may easily make the West prosperous again in the next few years but to make that prosperity, when regained, shockproof and stable.

Certain fundamental facts, even elementary must be the starting point in any discussion of the rebuilding of western agriculture. They have been brought out many times in these columns and were emphasized by both Mr. Beatty and Mr. Weir this week.

* * *

WHEAT and other cereals must for many years continue to be the chief prop of western agricultural prosperity because there is a world market for wheat, because large areas in the West can only raise wheat and are unsuitable for diversified farming, because wheat, over a term of years, is a profitable crop, because Canada has substantial advantages in the growing of wheat that will enable it to compete against the world. But admitting all that, there is still ample field for further extension of mixed farming between Manitoba and the foothills.

Extension of mixed farming must not come too quickly. Farmers must not be encouraged to repeat their former mistakes of over-use of credit to aid in the broadening out process. It was almost startling to have a spokesman for western farmers—in this case the minister of agriculture—criticizing eastern lending institutions for having extended too much credit in the West. Usually the complaint is quite the reverse. Yet sage observers of western conditions have more than once remarked that there was more danger of Western Canada suffering from too much credit than from too little.

* * *

ANOTHER reason for making haste slowly in this business of diversifying western agriculture is the need for development of markets for the new products that will be raised. Under normal conditions there is no need to worry about the market for wheat. Wheat can always be sold, although not always at a profit. But a surplus supply of bacon, butter, milk, live stock, wool, etc., can not be so readily absorbed. For these products, markets must be created through standardizing quality, grading, sound merchandising and establishment of necessary facilities for bulk marketing. Continuity of supply must also be assured. This machinery of marketing and this creation of new markets cannot be established over night or in a year or two. Much of the market must be found locally and this means that it can only grow with the industrialization of the West.

* * *

A LARGE market can also be found in Great Britain. It is Canada's own fault that it does not enjoy a larger market for dairy products, pig products and beef products in Great Britain than we now enjoy. We had that market in the hollow of our hand following the war and permitted it to slip, through sheer indifference. It can be regained.

The newly issued report on the trade of the United Kingdom, 1930, just issued by Harrison Watson, our senior trade commissioner there, says:

"Canada, in the U. K. market, is under the disadvantage of not having so far adopted to the same extent as have several of her rivals, the standardized mass production, together with the perfected methods of co-operation and selling organization, which have been established by certain other countries in recent years.

"An examination of the statistics for the calendar year 1930 indicates no recovery, but upon the contrary a further decline in all of what were formerly our staple lines: Bacon, hams, cheese, butter and eggs, as well

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CANNERS FIND 1931 BUSINESS IS PICKING UP

Dividend Reduction Indicates Last Year's Earnings Somewhat Down

INVENTORIES HIGHER

Canned Goods Prices Stiffen—Contracting for Smaller Acreage at Lower Figures from Farmers

Canadian Canners, in reducing dividends due in April on second preference convertible stock and no par value common stock from $1 a share to 80 cents a share for the convertible preference and 50 cents a share for common, has indicated with a fair approximation to the truth the results for the year ending February 28, 1931. The net profit necessary to pay these dividends on the new basis as well as $273,426 on the first preferred stock would be $633,551, and it is understood that earnings better than this were made in 1930.

Canadian Canners for five years up to and including the dividend increase made last spring, has been able to increase its dividend disbursements each year while at the same time improving its financial strength to a point almost unrecognizable when compared with that of some five or six years ago. It is well understood that each increase has been based on the business of the preceding year, and the dividend increases came because there had been steady improvement in sales and earnings of Canners. In 1930 there was a set-back because of the surplus crops of peas and tomatoes and the distress selling brought on among certain canners by that fact, causing lower prices all along the line.

Business is Better

In 1930, a year of depression, Canadian Canners therefore paid its highest total of dividends on the basis of 1929 business. Throughout 1931 it can be expected to pay at the present rate of 80 cents on 2nd preferred and 50 cents a share on common stock on the basis of 1930 business.

"How about dividends in 1932? Is there any likelihood of further reductions? Is it a temporary matter? And can one expect a return to a $1 rate later?" are among questions received by The Financial Post since the dividends were dropped.

Dividend rate declared early in 1932 will be based on 1931 business. The Financial Post is informed authoritatively that so far in 1931 business has been on a better basis than in 1930. This is not true only of Canadian Canners but of other canners. Pool arrangements among independent canners are reliably reported to have secured a considerable measure of agreement as to prices on canned vegetables and prices have stiffened in a marked manner as a result. The small independents were much embarrassed by the large pack of peas, making it necessary for them to liquidate

(Continued on page 2, col. 4)

Bread Report Reveals New Trends in Industry

Of interest to every business man, engaged in the job of attempting to reduce the costs of distribution in the modern scheme of merchandising, is the report of F. A. McGregor, registrar under the Combines Act, into the bread-baking industry of Canada. Of interest to every investor is his summary of the development of bakery chains under the milling companies.

Because of the widespread interest in this report, which was too lengthy to obtain more than a fairly brief summary in the daily press, The Financial Post publishes the report almost in full this week. It is in two parts; the discussion of the miller-baker combinations and the discussion of the costs of manufacturing versus the costs of distributing bread in Canada.

Chain Stores Cut Deeply Into Profits Of Miller Bakeries

Four Large Milling Companies Through Subsidiaries Control 96 Bakeries in 54 Canadian Centres and Sell Them Million Barrels of Flour

SUMMARY OF MILLER-BAKER DEVELOPMENT

Four large milling companies control 96 bakeries in 54 communities, **76 of these bakeries** control 93 per cent of the bread sales in their communities.
These bakeries are operating at only one-third of capacity.
Competitive "frills" add to costs. Delivery costs more than flour.
Controlled bakeries provide outlet for flour.
Competition of chain store bakeries keeps price down and cuts bakers' profits.

Four Canadian milling companies control 96 bakeries in 54 Canadian communities. The report of the registrar under the Combines Investigation Act, into bread costs in Canada includes a survey, very interesting to investors in milling and baking securities, of the trend to miller-baker combination in Canada and it outlines the history to date of the development of the baking subsidiaries of the four large Canadian milling companies.

The policy of chain stores of selling bread at cost or less than cost is also discussed. The report is dated February 5. It was just one week later that Great Atlantic and Pacific Tea stores cut bread prices to 5 cents per 24-ounce loaf for three days in Toronto and Montreal, a reduction which was countered by an offer of free bread to dollar purchasers in the stores of Stop & Shop, controlled by Consolidated Food Products.

Registrar's Full Report

That portion of the registrar's report relating to miller-baker combinations and to chain store competition is herewith published in full:

"Statistics on Canadian bread prices do not furnish conclusive evidence of combination within the bread-baking industry; but the higher and sustained levels of prices from 1926 to the middle of 1930 do suggest strongly that during that period certain stabilizing influences were at work and rather effectively at work. It is in this period that prices in Canada, for whatever reason, were maintained and even advanced slightly in the face of declines in bread prices in both the United States and the United Kingdom. What is more significant is that this higher level of Canadian bread prices was maintained in spite of a gradual decline in the price of flour in Canada: the 1926 average for Second Patents was $8.32; 1927, $7.74; 1928, $7.17; while the first six months of 1929 averaged $6.75.

"The price of bread is not, of course, as flexible as the price of either flour or wheat. Neither is the competitive area as wide as in the case of flour or wheat. As a perishable commodity, bread must be marketed within a comparatively short distance from the bakery, as well as within a short time after its production. Even though the improvement of roads and the use of trucks have widened the marketing area of producing plants, the range is still limited to a fairly restricted territory.

Price a Local Affair

"Competition therefore has until recent years been a matter of more or less local concern. Where prices were low it was presumably because of price competition. But the competitive situation in Hamilton, for instance, had little or nothing to do with the situation in, say, Vancouver: the bakers in each locality were seldom subject to outside control or influence. It is only recently that a new situation has arisen whereby the ultimate decisions on Hamilton prices are not necessarily made in Hamilton, or on Vancouver prices in Vancouver; both may be decided in Toronto or Montreal or Winnipeg. If decisions are made by the local groups they are subject to prior influence or subsequent review on the part of centralized managements in some large centre.

"This new inter-city relationship has come with the advent of the large chain bakeries, nearly all of them now controlled by one or other of the large flour milling companies. Until 1925 there were but few chains of bakeries operating in Canada; the largest of them, the Canadian Bread Co., was organized in 1911. Since early in 1925, at least twelve new chains of substantial size have come into being, nine of them now under the control of four flour milling companies. Of the three others, all owned independently of the milling companies, one has since disintegrated and the other two are operating 13 bakeries, all of them in Ontario but none in the larger centres. Another independent chain of substantial size, producing a special kind of bread and providing no delivery service, has developed since 1920, when its first plant was opened in Albérta. It is now operating in six cities in Ontario as well as in seven in Alberta and Saskatchewan.

Four Big Groups

"The mill-controlled chains are now represented in every province except Prince Edward Island; they operate 96 plants in 54 communities. (A list of these bakeries is published at the end of this article.

The flour milling companies which control these bakeries are as follows:
Lake of the Woods Milling Co.
Maple Leaf Milling Co.
Ogilvie Flour Mills Co.
Western Canada Flour Mills Co.

"Of these the Maple Leaf Milling Co. was the first to enter the bakery business on a large scale. No doubt individual flour mills, to protect themselves, have had to become financially

(Continued on page 10)

International Utilities Plans Take Larger Scope

Forms Three Subsidiaries to Buy Into Public Utility, Investment Trust and Chain Store Fields—Net Assets Exceed $20,000,000

International Utilities Corp., which has 3,000 shareholders in Canada alone, has developed large-scale plans for taking advantage through three newly formed subsidiaries of the opportunities now afforded in the public utility, investment trust and chain store fields.

The company, by disposing of its important holdings in Canada and the United States for large sums of money, had awakened widespread interest in its future plans.

Many believed it to have withdrawn entirely from the public utility field but new plans show that, instead of these sales marking an end to the company's activities as a public utility company, they but afforded opportunities for the present forward steps on a larger scale than before.

Makes Success

In its five years of existence, since being organized in 1924, the company has succeeded in turning $7,000,000 raised at various intervals through the sale of its $7 preferred stock and its Classes "A" and "B" common stocks into securities and interests valued at $28,000,000. This $7,000,000 so acquired was used to secure a controlling interest in operating utility properties in the United States and Canada. Through the exchange of holding company securities for those of minority interests in operating companies, the corporation acquired virtually 100 per cent ownership of its subsidiary companies.

During the early part of 1930, International Utilities sold its major American properties to the Insull interests for a cash consideration in excess of $10,000,000, and full settlement of this transaction was completed in October, 1930.

In July of the same year the corporation concluded a contract for the sale of its Canadian subsidiaries to the American Commonwealths Power Corp. for a consideration in excess of $16,000,000. Of this amount International Utilities has collected $7,400,000 in cash, most of the remaining balance being underwritten by a prominent and responsible banking group.

How Cash Was Spent

The Financial Post is informed that these large cash resources have been employed substantially as follows:

(a) The acquisition of a well diversified list of high-grade utility, rail and industrial common and preferred stocks and bonds at various times in the present favorable buying range.

(b) The acquisition from the open market at prevailing levels and the subsequent retirement of approximately $700,000 par value of the corporation's $7 preferred stock, or approximately 20 per cent of the total outstanding preferred issue, and approximately 37,000 shares of the Class "A" stock, which is in excess of 18 per cent of the total existing amount of this issue.

(c) The payment of the corporation's floating debt.

Forms Three Subsidiaries

As a result of these transactions, the corporation's balance sheet as at Dec. 31, 1930, will disclose a net asset position of approximately $20,000,000 composed of securities, the major portion of which represents cash or its equivalent.

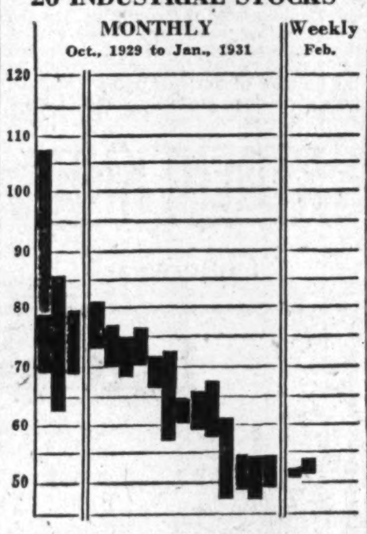
Since Jan. 1, 1931, the corporation has organized the three following subsidiaries: International Public Utilities Corp., International Shareholdings Corp., International Stores Securities Corp.

The capital structure of each of these three subsidiaries consists of an authorized issue of preferred stock, Class "A" participating stock and common stock. The International Utilities Corp. has contracted to purchase the common stocks of each of the above companies in the amount of $1,000,000 cash each. Through the medium of these subsidiaries, it is the purpose of the International Utilities Corp. to take advantage of the unprecedented buying opportunities which exist in the public utility, investment trust, and chain store fields.

International Public Utilities Corp. has acquired properties whose combined gross volume of sales aggregate $1,100,000 per annum, with net earnings before depreciation in excess of $337,000. These acquisitions have been effected principally through the exchange of securities of the International Public Utilities Co. for those of the acquired properties.

Stock Market

20 INDUSTRIAL STOCKS



MARKET INDICATOR

20 Industrial Stocks	High	Low
Week of Feb. 17	54.0	51.1
Week of Feb. 10	52.6	50.6
Month of Feb., 1930	81.7	70.7
8 Bank Stocks		
Week of Feb. 17	246	244
Week of Feb. 10	246	244
Month of Feb., 1930	268	261
10 Public Utilities		
Week of Feb. 17	85	83
Week of Feb. 10	83	81
Month of Feb., 1930	103	95

C. W. LINDSAY EARNS DIVIDEND THREE TIMES

Profits for Current Year Equal to Over $3 a Share

BETTERMENT SEEN

Gradual Increase in Recent Monthly Sales Lends Encouragement for Future

From Our Own Correspondent

MONTREAL.—Earnings of C. W. Lindsay & Co. in the fiscal period ended February 28, 1930, are expected to exceed the $3 mark—a sum sufficient to cover its current common dividend requirements three times over. Sales in January were about 10 per cent lower than those of the same month in last year while sales for the 10 months ended December 31, 1930, were below those of the previous year by about 16 per cent.

The company operates retail stores in Ontario and Quebec selling pianos, radios and all kinds of musical instruments. The bulk of its sales are made on the installment plan. Collections are reported to be holding up well while cancellations have been only slightly greater than those of a year ago.

Gradual Improvement Apparent

Operations of the company provide an interesting side light on purchasing power in the territory served; radio sales have been particularly satisfying in 1931 while pianos are reported to have provided a smaller proportion of gross sales than in previous years.

The company figures its sales totals with cancellations deducted; a conservative policy which gives an accurate picture of the company's position. A gradual improvement has become apparent in recent months, for sales to the end of November were down 20 per cent as compared with a decline of 16 per cent at the end of December.

Redeem Block of Preferred

Earnings in the fiscal year ended February 28, 1930, were at a high level. After all deductions net profits applicable to dividends were equal to $32.73 a share on the preferred and $6.03 a share on the common stock. During the past year about $40,000 of preferred shares have been redeemed which will reduce the amount required for dividends in the coming year. At the end of last fiscal year there was outstanding $759,600.

The balance sheet at the end of the current year is expected to reveal a satisfactory position. Accounts receivable, representing sales on the installment plan, will be in the neighborhood of $2,000,000, which compares with $2,072,433 at the end of the last fiscal year. Bank loans have been kept down to a low figure and working capital position is expected to compare favorably with last year which showed a ratio of better than 8 to 1 between current assets and current liabilities.

Possibilities in Dividends

Whether the management will see fit to increase disbursements on the common stock in the forthcoming year remains to be seen; those who follow the company closely do not look for an increase in the near future. The present dividend rate of $1 a share on the 33,008 shares of no par common was inaugurated in December, 1928, and has been maintained regularly.

Earnings in the first 15 months to February 28, 1929, of the present company's operations were equal to $6.15 a share on the common. At the end of last year surplus amounted to $354,988, while redemption of the preferred shares has been increasing the equity back of the common.

Operates Various Agencies

In addition to this, the head office of the company, C. W. Lindsay operates three other stores in Montreal. Branches and show rooms are maintained at Three Rivers, Chicoutimi, Cornwall, Quebec, Kingston, Brockville and other points in Ontario and Quebec.

There is a point in connection with the corporate position of the company which has been seldom mentioned. The accounts receivable which last year totalled $2,072,433, bear interest at the rate of 7 per cent and are handled entirely by the company. Observers have pointed out that the company might pledge this paper as collateral and with the proceeds of the loan redeem the preferred stock presently outstanding.

There has been little trading in the common stock of C. W. Lindsay in recent months. Current quotations are in the region of 12 at which level the shares return a yield of 8.33 per cent.

LETTER TO EXCHANGE PUBLISHED IN ERROR

The Financial Post Unaware Canada Power Information Was Confidential

The Financial Post regrets having published last week material supplied by Canada Power & Paper Corp. in confidence to the Montreal Stock Exchange, and thereby causing embarrassment to the Exchange. The company's letter, giving information to the Montreal Stock Exchange, was circulated among the members with a covering note to the effect that it was for their confidential use.

Contents of the Canada Power & Paper Corp.'s letter were learned of by The Financial Post indirectly and from several sources. Unfortunately The Financial Post was not aware of the contents of the covering letter.

Report Manager Picked For Massey Harris Co.

Announcement Expected in Few Days; Report May Not Show Earnings Sufficient For Bond Interest and Depreciation

Announcement is expected within a few days of the appointment of a general manager for the Massey-Harris Co. His identity has not been divulged, but it is believed that he is a man with a long experience and of high repute in the secondary steel industry.

Massey-Harris Co. has been without an operating head since November 24, when Thomas Bradshaw, president and general manager, resigned. T. A. Russell, vice-president, has been devoting some time to the affairs of the company but his active participation in its management has been known to be only temporary.

May Not Earn Bond Interest

This condition of affairs has not been good for the company and has been a factor in further depression of the stock. Although it is generally known that the income and surplus account for the last year will not present a pretty picture, it is noteworthy that the common has been a trifle stronger in the last week, when rumors as to the impending appointment of a general manager began to be circulated.

Although publication of the report for the year ended Nov. 30, 1930, may be some weeks away yet, it is widely believed that the document will show operating earnings for the year to be insufficient to cover bond interest and depreciation. There is, however, no question as to payment of bond interest.

Reason for the delay in issuing the report is that foreign operations will be included to the end of the fiscal year, instead of to June, as formerly.

Say Canadian Dredge Will Earn $3 Dividend

Although the annual report of Canadian Dredge & Dock Co. will not be available until April, it is reported on good authority that the company will show its $3 dividend earned by a small margin For the year ended January 31, 1930, the company reported $4.13 earned on the common.

It is stated that the $3 dividend rate will be maintained.

Working capital, it is said, will be in excess of $1,000,000 and of current assets of about $1,400,000, something like $1,000,000 will be in cash or government bonds.

Stock of Canadian Dredge has been quietly strong for some months past and around its present levels is attracting investors because of the yield, since it is generally believed that the dividend is safe.

Say Cockshutt Not to Barter Plow for Coal

It is said that Cockshutt Plow Co. is not likely to accept an order from the Soviet government for $1,000,000 in farm implements, payment to be made in anthracite from Russian mines.

Announcement of this offer was made several days ago. As yet there has been no statement from the company, although one may be forthcoming in the near future.

It will be remembered that in October of this year an agreement was reached between Canadian importers of Russian coal and the government, which resulted in dealers agreeing to cease such importations for the remaining months of the winter season. This was not a permanent ban but was to be effective until government policy could be definitely framed on the matter.

The last month in which Russian coal was imported was November, when 29,400 short tons were brought in. Total importations of Russian anthracite during the eleven month period ending November, 1930, amounted to 291,400 tons, which is approximately 5.4 per cent of the total Canadian anthracite import in that period. In 1929, importations from Russia were only 117,300 tons and in 1928, 6,204 tons.

Report Shift N.B. Telephone Stock Control

From Our Own Correspondent

MONTREAL.—Bell Telephone Co. of Canada is reported to have currently secured a majority stock control of the New Brunswick Telephone Co. It is understood that the company has long had a minority interest in this enterprise. In respect to the present development, officials of the company will not make any comment.

It was rumored also that the Bell Telephone was interested in acquiring control of Maritime Telegraph and Telephone Co., operating in Nova Scotia and Prince Edward Island, but there does not appear to be any substance in this story.

Over 32,000 Telephones

According to the latest report available, New Brunswick Telephone in 1929 had 32,268 telephones in use, of which about half were residence and rural and the balance business telephones. Its gross revenue for the year was $1,413,303 the highest ever reported.

Assets as at the end of 1929 totalled $6,145,448, of which buildings and plant represented $5,262,012. Dividends on the common stock have amounted to 8 per cent per annum since 1916. The stock has paid dividends regularly for 21 years.

NATIONAL RADIO NOT POSSIBILITY IN COMING YEAR

Government Holds Up Plan for Constitutional Decision

From Our Own Correspondent

OTTAWA.—In the past three months, the tide of government opinion has been running steadily away from a national system of radio broadcasting.

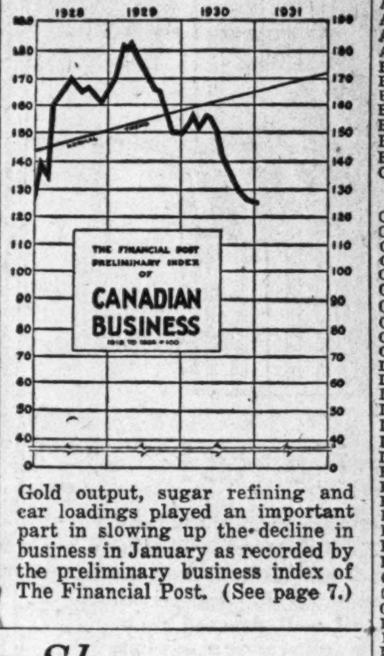
When Rt. Hon. R. B. Bennett announced a few weeks ago that there would be legislation on the subject of broadcasting at the coming session of parliament, it is understood he did not mean the nationalization of the industry. At that time, it is understood, the Government had reached a point where the solution of the radio problem seemed to lie in the creation of a private ownership monopoly. The intention was to hand over radio broadcasting to the two railway companies. These companies were to form a company, each owning one-half the capital stock, and to absorb or expropriate existing stations, building new ones where necessary. The result would have been a strong network of broadcasting units, with central control of programmes. It is further understood that the legislation creating this monopoly would have laid down certain principles of broadcasting. The use of the radio for advertising would have ben strictly limited, although no obstacle would have been created to the bringing in of programmes from United States' networks.

Constitutional Problem

The challenge issued by Premier L. A. Taschereau, of Quebec, has temporarily upset these plans, and present indications are that the Government will leave radio alone until the constitutional position has been clarified by the courts. Mr. Taschereau asserts that the provinces, under the British North America Act, have control of broadcasting stations and have the right to regulate hours of broadcasting and the supervision of programmes. He bases this claim upon the item "property" which, in the British North America Act is placed under the jurisdiction of the provinces.

The case, begun by Mr. Taschereau, is now before the courts of Quebec. The Dominion will contest it, and whatever the verdict, the suit will be carried to the Privy Council. This will take at least one year, so that the prospects is that radio will be left severely alone during the session of parliament to begin in March.

Decline Slower in January



Gold output, sugar refining and car loadings played an important part in slowing up the decline in business in January as recorded by the preliminary business index of The Financial Post. (See page 7.)

Moore Corp. to Show Dollar Dividend Earned

It is understood that the annual report of Moore Corp., which will be available within a few days, will show earnings slightly in excess of the $1 dividend on the common, after dividends on the two classes of preferred. For 1929, earnings were $2.54 on the common, after preferred dividends. Earnings on the combined Class "A" and "B" preferred were $22.92 per share.

Sales of the operating subsidiaries are understood to have been fairly well maintained in 1930, especially in the early months. The drop in earnings, it is said, was due principally to an increase in operating costs of American Sales Book Co. at the Elmira plant. A strike which lasted many weeks was the cause.

BELIEVE ABITIBI 1930 EARNINGS COVER DIVIDEND

Observers Puzzled by Preferred Dropping While Common Stock Rises

LONG VIEW IS GOOD

Uncertainties of 1931 Cause Decline—Is One of Best Financed Companies in Industry

Abitibi Power & Paper preferred and common stocks have shown two conflicting trends in stock market valuation in 1931, the 6 per cent preferred stock from 47 down to 40 and the Abitibi common from a low of 9 to 11⅝. On February 17 the common stock was strong around 10⅞ in spite of the general recession in the market.

Market observers have been somewhat puzzled by the two movements, arguing that if the preferred stock is not too low the common stock must be much too high.

There is a well defined expectation in financial circles that the annual report of Abitibi, due somewhere around March 1, will show preferred dividends well earned with an amount available for common around 90 cents a share, the latter amount differing according to write-offs for depreciation and other purposes. Common stock earned $1.97 a share in 1929, but the result of 90 cents a share would be regarded as satisfactory in view of the conditions of the industry during the year.

Immediate Prospects Uncertain

The preferred stock at present prices gives a yield of about 15 per cent, a sufficient indication of how shareholders feel about the uncertainties of the newsprint situation for 1931. The actual consumption of newsprint is apparently declining at the moment, and this tendency is not expected to be relieved until business begins once more its upward move, thus stimulating advertising which again will automatically bring about larger newspapers. The first half of 1930 offers little prospect of change so far as consumption is concerned.

In view of the effects on operation and profits of declining demand in recent months, every possible combination of newsprint companies has been carefully considered with a view to obtaining if possible greater economies and preventing avoidable competition. In the last few weeks this phase of the question has received more attention than at any time in the last year or two. It is known that on several occasions in the last six months the large units in the industry have come quite close together, but there has always been some point on which they could not see eye to eye. This point has generally been the conflicting ideas of negotiators as to the value of their respective concerns. Another effort is being made to compromise on this point.

Abitibi Has Strong Position

There are even some companies who favor a wide-open competitive market, believing that lower prices, while bringing bankruptcy or nearly that to some concerns, would close enough higher cost American mills to increase the volume of Canadian production. Through increased volume they believe better results might be attained than by lower volume at present prices.

As Abitibi Power & Paper has a strong financial situation, it would probably fare well in any merger. It

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Complete Bread and Bakery Investigation Report 1, 10
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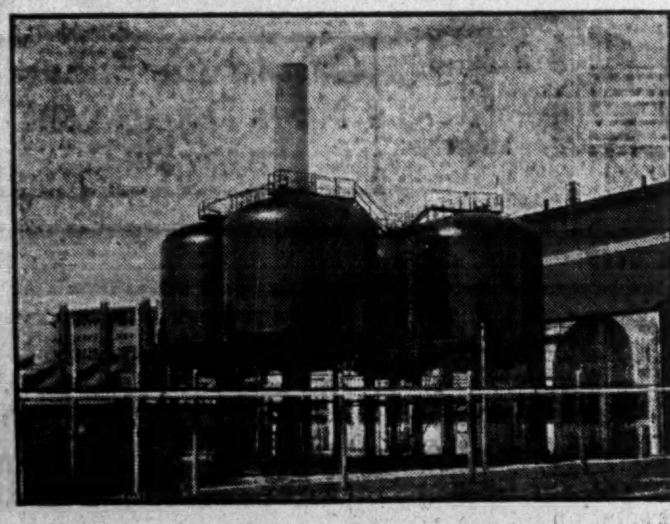

THESE four sulphuric acid storage tanks were built for Canadian Industries, Ltd., at their Copper Cliff, Ontario, plant. We build tanks and heavy steel plate work in any part of Canada, fabricating the steel at our Bridgeburg, Ontario, plant and erecting it with experienced field crews. Quotations submitted, without obligation, on any of the products listed.

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Storage Tanks
Gas Holders
Surge Tanks
Penstocks
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Pulp Rakes
Steel Pipe
Mine Cars
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Steel Plate Work

Horton Steel Works Limited
Bridgeburg, Ont. .... 109 Janet Street
Montreal, Que. ..... 2178 University Tower Bldg.
Toronto, Ont. ...... 1452 Northern Ontario Bldg.
Winnipeg, Man. .... 1249 Galt Bldg.

HORTON TANKS

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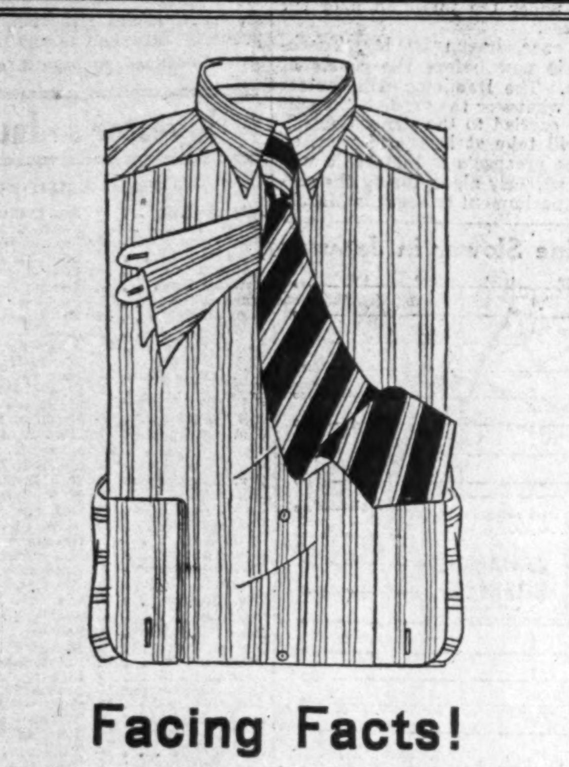


Facing Facts!

Day in and day out Eatonia shirts we believe are the best regular $2.50 shirt value obtainable in Canada. Made from finely woven or printed English broadcloths in designs to meet the approval of all well dressed men. In two separate matching collar style also plain shades in separate or attached collar style.

Eatonia shirts for Men
$2.50

This is an Eatonia Value, a typical example of Eaton Low cash prices.

THE T. EATON C° LIMITED

TAMBLYN EARNINGS WELL MAINTAINED THROUGHOUT YEAR

Earns $27.52 on Preferred and $4.53 on Common—Surplus Grows

G. Tamblyn, Ltd., had an excellent earning year in 1930. Its net profits of $170,066 compare with $184,312 in 1929 and with $134,772 in 1928, but net earnings before depreciation, income tax and bonus to officials was $237,913 which may possibly have been much nearer to earnings of 1929 (not given) and compares with $179,822 in 1928. Net profits are equivalent to $27.52 a share on the 7 per cent cumulative preferred stock as compared with $27.93 a share in 1929, and, after preferred dividends, to $4.53 a share on 28,000 no par value common shares as compared with $4.91 a share in 1929 and $3.28 a share in 1928. No dividend has been paid on common stock to date.

INCOME AND SURPLUS ACCOUNT
(Years ended December 31)

	1930 $	1929 $	1928 $
Net earnings ...	237,913	......	179,822
Less: Legal and audit fees	......	......	3,389
Deprec., etc. ...	47,412	......	15,126
Inc. tax res. ...	14,197	......	11,560
Bonus to officials	......	......	14,975
Int. on mtge. ..	6,238	......	......
Net profits	170,066	184,312	134,772
Less: Pref. div. .	43,260	46,900	42,875
Surp. for year ..	126,806	137,412	91,897
Add: Prev. surp.	229,309	91,897	......
Bal. car. for. ...	356,115	229,309	91,897

Gross book value of fixed assets is shown at $702,347 and reserve for depreciation at $102,541, while the net book value is $599,806 as compared with $550,942 in preceding year. Goodwill still stands at $150,000.

Preferred stock redeemed during the year amounted to $42,000, leaving $618,000 outstanding. This compares with $700,000 at the end of 1928.

Mortgages payable of $97,200 are down from $102,300.

Working capital is stronger though cash is down from $74,149 to $53,173 and inventories up from $638,963 to $777,453. Current liabilities show little change.

WORKING CAPITAL

	1930 $	1929 $	1928 $
Current assets ..	777,458	717,600	695,291
Current liabs. ...	309,971	309,741	282,963
Working capital	467,482	407,859	412,328
Ratio	2.50—1	2.32—1	2.46—1

NATION'S BUSINESS

(Continued from page 1)

as in all cereals—flour being the one exception.

"A detailed examination of imports indicates the degree to which Canada has fallen back as a supplier of dairy products and other items of food to Great Britain in comparison with other parts of the Empire as well as foreign countries."

Agriculture will have to enjoy commanding leadership in the coming years if the British market is to be reentered in a large way and on favorable terms.

* * *

FORTUNATELY there is evidence that agriculture in Canada will have in the next ten years strong leadership. The banks, trust companies, railway companies and insurance companies, through the newly-formed Agricultural Credit Corporation will give practical assistance, both in promoting a reasonable expansion in mixed farming and in enlarging the market. The new minister of agriculture has shown an ability to tackle the problem in a practical manner. The provinces will have to co-operate, not only in the West but in the East, and in this connection the activities of another practical farmer-politician Hon. T. L. Kennedy, the new minister of agriculture of Ontario, a man somewhat of Mr. Weir's type, promise well.

The joint objective is clear,—balanced agricultural production, at low costs, and with sufficient volume to enable a real marketing drive to be made. Again to quote from Mr. Beatty's Winnipeg address:

"Markets cost time and money to secure, and, once secured, they should be cherished. The only basis on which we can hope to achieve and hold this market against the outside competition is by developing a production policy which will create the necessary volume through the medium of comparatively small units of production on numerous farms. It is through such organization that costs can best be reduced, and if we are to displace the Danish product, we must be willing to battle with them on price.

"The absorption of our milk, eggs and pork products into domestic consumption might be a matter of congratulation if anyone could visualize this country as permanently ceasing to require export markets for those commodities. But in view of our natural endowments and the possibilities and the necessity for expansion of livestock products, such a view hardly seems tenable. The small surplus available for export in any line of livestock products often proves more embarrassing than one of greater proportions which fact we have already experienced in several lines.

"An attempt has been made to show that to achieve our proper place in the world's market we require some volume, that this volume must be achieved at low costs, and that the organization for production which best lends itself to this purpose is that which couples livestock production with other agricultural endeavors in an economic unit which can be fitted into the general organization of the individual farm. Only by so doing can we avoid the alternate conditions of shortage and plenty which proves so demoralizing to agriculture and the country as a whole."

* * *

CANADIAN agriculture in a process of accelerated scientific evolution under the leadership of business men who appreciate the basic importance of farming in Canadian economics is the promise of the next ten years in the Dominion. It is a movement calculated to have a pronounced effect upon Canadian prosperity.

Striking contrasts of this programme with the agricultural objectives of the past ten years suggest themselves. The note of class warfare, of socializing of the fabric of marketing and financing, of insistence upon artificial price levels is missing. The new effort is not a fight between the farmer and the business man but a co-operative effort to restore farm prosperity in order that the whole structure of Canadian business may find new stability.

CANNERS FIND 1931 BUSINESS IS PICKING UP

(Continued from page 1)

large percentages of their packs early in the season in order to secure the necessary bank credits. Canned peas as a result have been selling lower than for many years.

The new prices given out by independents show upward revision by as much as 15 cents a dozen for peas, 5 cents a dozen for corn and 10 cents a dozen for tomatoes. Canners' costs are stated to have been about 90 cents a dozen on peas last year, and they were sold under this figure. On March 1 further advances to bring prices above cost are foreshadowed.

Buying for Less

Though there is no agreement with Canadian Canners that company is also offering canned goods at above present prices. Retail prices still continue as grocers obtained their present supplies at lower prices. It is claimed that they will have no opportunity to get goods at below cost as distress situations do not now exist.

Agreements are now being made by canners with farmers for the 1931 crop. The latter had feared that because of abundant crops of peas and tomatoes especially last year a number of canneries would be shut down. However, it will be found that most of them will be open and farmers are already being signed up for 1931 crops. Because of the experience in 1930, however, farmers will be asked to take in 1931, 10 per cent under 1929 prices and a smaller acreage will be planted. Thus lower costs and at the same time a breathing space to sell out the large surplus inventories accumulated in 1929 and 1930 will be given.

Situation Not Alarming

There seems little reason for alarm among shareholders. Companies of the character and size of Canadian Canners in the United States have occasionally a year in which they fail to pay dividends in full. California Packers for instance, failed by $500,000 in 1928 to make good its dividends but in both 1927 and 1929 it made all dividends with a substantial margin. The growing financial strength of Canadian Canners for five years back has prepared it for just such an ordeal as this. With more than $8,000,000 in current assets and more than $7,000,000 in working capital at the end of 1929 the company was admirably fitted to come through such a year as 1930. Such years can be expected from time to time in the company's history.

The company will be found to have further strengthened its position in 1930 even though earnings are down. Liquids will be stronger, and it can take advantage of any opportunity offering from Canada or abroad in 1931. Dividends paid annually on the $1 basis on 2nd convertible and common stock would amount to $501,516 and on the new basis to $360,130, a saving of $141,386. No one can predict with assurance a whole year in the canning industry but so far it has the appearance of being likely to experience recovery in 1931.

Expect $1 Again

Avern Pardoe & Co., in a recent letter to clients, stated that for seven years Canadian Canners has added more than $1,000,000 a year to its reserves. These reserves over dividends of more than $7,500,000 have been appropriated as follows:

New plant additions over	$1,500,000
Net quick assets increase over	5,700,000
Bond indebtedness decrease over	500,000

"In addition and more important, Canners' expends several hundred thousand dollars each year in advertising and improving their products—a goodwill of great value, which is being demonstrated to an increasing degree in preferential consumer acceptance of the company's Aylmer and other brands."

At current levels second convertible and common stocks have stood the test of the dividend decrease well. Directors own the controlling common stock which has a 50 per cent drop in dividends.

BELIEVE ABITIBI 1930 EARNINGS COVER DIVIDEND

(Continued from page 1)

is also able to continue as well as any company under its own steam and on the long view its prospects are good. The immediate prospects are the hardest to decipher, and this explains why the preferred stock is offering at such prices. Abitibi, like every other company in the business, is economizing at every point. If it were necessary, traders evidently believe the preferred dividends would be deferred in the interests of conserving cash. If newsprint consumption shows an early gain these prices would not long remain.

At the same time the strength of common stock, through which control is held, shows that holders are not abandoning their faith in the long view. There is evidence of active buying by investors who are accumulating low stocks of companies which they feel have an excellent opportunity in the next period of active business. The preferred stock would have voting privileges if dividends were deferred for four quarters consecutively. There are 1,088,117 no par value common shares outstanding and 348,818 shares of $100 par value 6 per cent cumulative preferred stock.

Amalgamated Electric Share Increase Authorized

From Our Own Correspondent

MONTREAL.—Shareholders of Amalgamated Electric Corp. have authorized an increase in the number of no par common shares outstanding from 50,000 to 60,000 shares. The authorized number of shares is 80,000, of which 30,000 shares are reserved against conversion of preferred stock.

Senior to the common stock, there is issued $1,175,000 of 6 per cent preferred shares, par value $50. This stock is convertible into common on a share for share basis.

At the annual meeting of Amalgamated Electric Corp., Charles Duncan, former head of the Duncan Electric Co. which was absorbed by Amalgamated Electric Corp., was elected to the board of directors of the parent organization. Mr. Duncan succeeds C. F. Ferris of New York who has resigned. Other officers and directors were re-elected.

Beatty Elected to Hotel Board

From Our Own Correspondent

MONTREAL.—At the stockholders' meeting of the Hotel Waldorf-Astoria Corp., E. W. Beatty, chairman and president of the Canadian Pacific Railway, was elected a member of the board of directors.

ASBESTOS CORP. REPORT CONFIRMS EARLY ESTIMATES

Total Deficit After All Charges Totalled $1,229,002

From Our Own Correspondent

MONTREAL.—Asbestos Corporation suffered a loss of $89,068 from operations in 1930 as compared with a profit of $710,092 in 1929. The management has made write-offs on account of expenditures on betterments and development and while deductions of bond interest and depreciation brought the total deficit for the year to 1,229,002.

It is stated by Robert F. Massie, president of the company, that the corporation started the year with a large volume of orders and made substantial shipments in the first two months, but by the end of March cancellations of shipping instructions were being received at such a rate that it was necessary to curtail operations. In addition to falling off in business, competing mines offered asbestos fibres at reduced prices, a situation which had grown steadily worse and brought prices down to levels below those prevailing in 1926.

Working Capital Lower

The balance sheet shows a sharp falling off in working capital. Current assets total $1,471,540, as compared with $2,224,635 in 1929 and current liabilities are higher by about $100,000 at $1,331,579, leaving a net working capital of $139,961. This compares with $894,226 in 1929 and $1,509,896 in 1928.

Following is a comparison of profit and loss accounts for the past two years.

	1930 $	1929 $
Profits	‡89,068	710,192
Invest., etc.	61,431	69,622
Total income	*27,637	779,814
Bond int.	†456,029	461,481
Balance	*483,666	318,333
Deprec.	300,000	300,000
Balance	*783,666	18,333
Prev. surp.	148,137	294,159
Balance	*635,529	312,493
Transfer	......	2,756,010
Balance	*635,529	3,068,603
z Written off	......	2,920,366
Balance	*635,529	148,137
§Development	445,336	......
Balance	*1,080,865	148,137
Prior adjust.	92,958	......
P. & L. bal.	*987,907	148,137

z Stripping, drilling and development work, $769,183; obsolete plants and buildings, $2,151,182.
*Deficit.
†Including interest accrued but not paid on First and General mortgage bonds.
‡Loss from operations.
§Expenditures and developments and or development of ore bodies, $345,336; balance of stripping carried forward Dec. 31, 1929, $100,000.

Inventories Show Decline

In assets, investments at $325,074 are lower as compared with $650,673. Inventories stand the company at $920,655, as compared with $933,931, while accounts receivable at $207,517 are lower by some $290,000. Cash totals $18,293, a decline of $24,000.

Property is carried at $18,851,364 after deducting a reserve of $1,533,739 for depreciation and exhaustion of minerals. This compares with $19,300,616 in the previous year. The balance of $468,750 receivable in connection with the sale of Etchemin Power Co. stock is not carried as an asset. Of this amount $140,625 was received in January, 1931, and the balance is receivable during the current year.

Bank Loans Unchanged

In liabilities, bank loans at $800,000 are unchanged. Accounts payable are lower at $180,794, as compared with $407,939. Bond interest on the first and refunding mortgage bonds accrued from June 30, 1930, not paid, totals $74,019 and on the general mortgage bonds interest accrued from January 1, 1930, not paid, totals $256,838.

Reserves for contingencies and taxes at $156,280 is virtually unchanged. Funded debt has been reduced from $7,634,142 to $7,484,142. Preferred and common stock is unchanged. A deficit of $987,906 is brought forward into the current year as compared with a surplus of $148,138 at the end of the previous year.

Remarks to Shareholders

In his remarks to shareholders, Robert F. Massie, president of the company, said, in part:

"The management has been unceasing in its efforts to stabilize grades and prices, but has met with little success with the other Canadian mines. Russia has also come to the front again as a producer of asbestos and has been offering substantial quantities in Europe and the United States at low figures, the net result of all this has been a very disorganized market, with consumers buying only limited quantities.

"During last year the properties of the corporation were examined by competent engineers and reports made thereon to the directors of the corporation. The general policies of your management were approved and some recommendations made in these reports are having consideration.

"The curtailment of operations and reduction in the rate of wages naturally caused some dissatisfaction among the employees of the company, but the trouble which broke out at the end of the year was apparently not instigated by employees of this corporation, as the number of our employees who took part were comparatively limited."

REGENT KNIT
"Outerwear"

SEEKS TO PURCHASE PRUDENTIAL TRUST

Offer of $20 Per Share Made Through Mortgage Corp. of Canada

From Our Own Correspondent

MONTREAL.—An offer of $20 a share in cash has been made to shareholders of Prudential Trust Co. for their stock. The offer comes from Mortgage and Discount Corp. of Canada, and is made on behalf of that company by the General Trust Co. of Canada in their capacity of trustees.

The price of $20 a share represents the par value of the present Prudential shares. Last year the capitalization of the company was changed by special act of Parliament to put all the shares on a basis where depletion of capital would be eliminated.

Involves Payment of $360,000

It is understood that there are about 18,000 shares of Prudential Trust shares in the hands of the public so that the present deal will involve a payment of around $360,000 if all shareholders accept the offer. Payment for the shares will be made in 12 monthly installments.

It will be recalled that Prudential Trust figured in extended litigation which terminated last year with the ousting of the former management. Brig.-General G. Eric McCuaig became president under the new management. Hon. Frank Carrel, Quebec; and Henry N. Chauvin, K.C., Montreal, vice-presidents; the balance of the board consisting of Col. D. M. Robertson, Toronto; Paul Galibert, Montreal; A. Gourdeau, Quebec; Col. J. S. O'Meara, Quebec; and Ralph Locke and George H. Cook, of Montreal.

The identity of the parties making the offer has not been disclosed, but it is understood that they have no present connection with Prudential Trust.

AGREE TO SALE OF UTILITY INVEST. TO NEW COMPANY

Shareholders Consent to Plan for Exchange of Stock

From Our Own Correspondent

MONTREAL. — Shareholders of Second Public Utility Investment Co. and its subsidiary, Public Utility Investment Co., have agreed to sell their companies to a new organization known as Consolidated Public Utility Investment Co. The basis of the sale will be an exchange of shares.

Directors of the companies urged shareholders to accept the offer on the ground that investment portfolios of both Second Public Utility and Public Utility Investment have depreciated, income has declined and that introduction of new capital, which will be effected by the issuance of 5½ per cent debentures of the new company, will enable them to improve their present position.

Create Debenture Issue

The capitalization of Consolidated Public Utility Investment Co. will comprise $500,000 5½ per cent 30 year debentures; 30,000 shares of no par class "A" stock; 36,000 shares of no par "B" stock and 20,000 shares of deferred or founders common stock without par value.

The basis of exchange is as follows: Shareholders of Second Public Utility Investment Co. will receive one share of class "A" and two shares of class "B" stock of the new company for each share of common stock presently held. Shareholders of Public Utility Investment Co. will receive one share of class "A" stock of the new company in exchange for each share presently held.

Entitled to $1 Dividend

Class "A" common shares of Consolidated Public Utility Investment are entitled to a dividend not exceeding $1 a share a year before any disbursement is made on other shares. Class "B" shares are then entitled to a dividend not exceeding 50 cents a share a year before any other payment is made on the class "A."

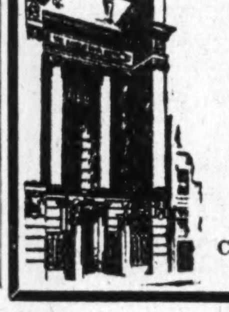
After payment of dividends on the "A" and "B" shares on this basis, the deferred stock is entitled to a dividend not exceeding 25 cents a share. Other earnings, if available, will be distributed between the different classes of stock in the proportions of 90 per cent to class "A" and class "B" and 10 per cent to be deferred.

Introduce New Capital

While the new company will have outstanding a senior security in the form of debentures, a situation which did not obtain under the old companies, directors point out to shareholders that funds realized from sale of these debentures will be new capital which may be utilized to purchase securities at prevailing prices.

It is stated that an international advisory committee is being formed to guide the policies of Consolidated Public Utility Investment Co., while important restrictions have been incorporated in the charter.

WANTED
Complete or incomplete sets of Standard Bond Books, Fitch Bond Book (or similar publication), Stock Exchange Year Book and/or Moody's Manuals. All for 1930. State books offered and price. Box 256, The Financial Post, Toronto.



Letters of Credit

for personal expenses or for making foreign purchases are issued at any Branch of this Bank. They offer a safe and convenient method of carrying funds when travelling abroad.

THE BANK OF NOVA SCOTIA
Established 1832
Capital, $12,000,000. Reserve, $24,000,000.
Total Assets over $265,000,000.

World-wide Financial Services

Financing exports and imports, issuing commercial credits, remitting money to foreign countries by mail or cable, buying and selling bills of exchange, selling travellers' cheques and letters of credit—these are some of the valuable services offered by the Bank of Montreal in foreign exchange and foreign trade.

BANK OF MONTREAL
Established 1817
Total Assets in Excess of $800,000,000

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of

Griffis, Fairclough & Norsworthy
Limited

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Men's All Wool Neckties 1.50

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Our own offices in London, England, and New York—and private wires between Toronto, Montreal and New York—keep us in close daily touch with the world's money markets. We offer prompt service and the best possible rates on Foreign Exchange.

Telegraphic and Cable transfers are given special attention.

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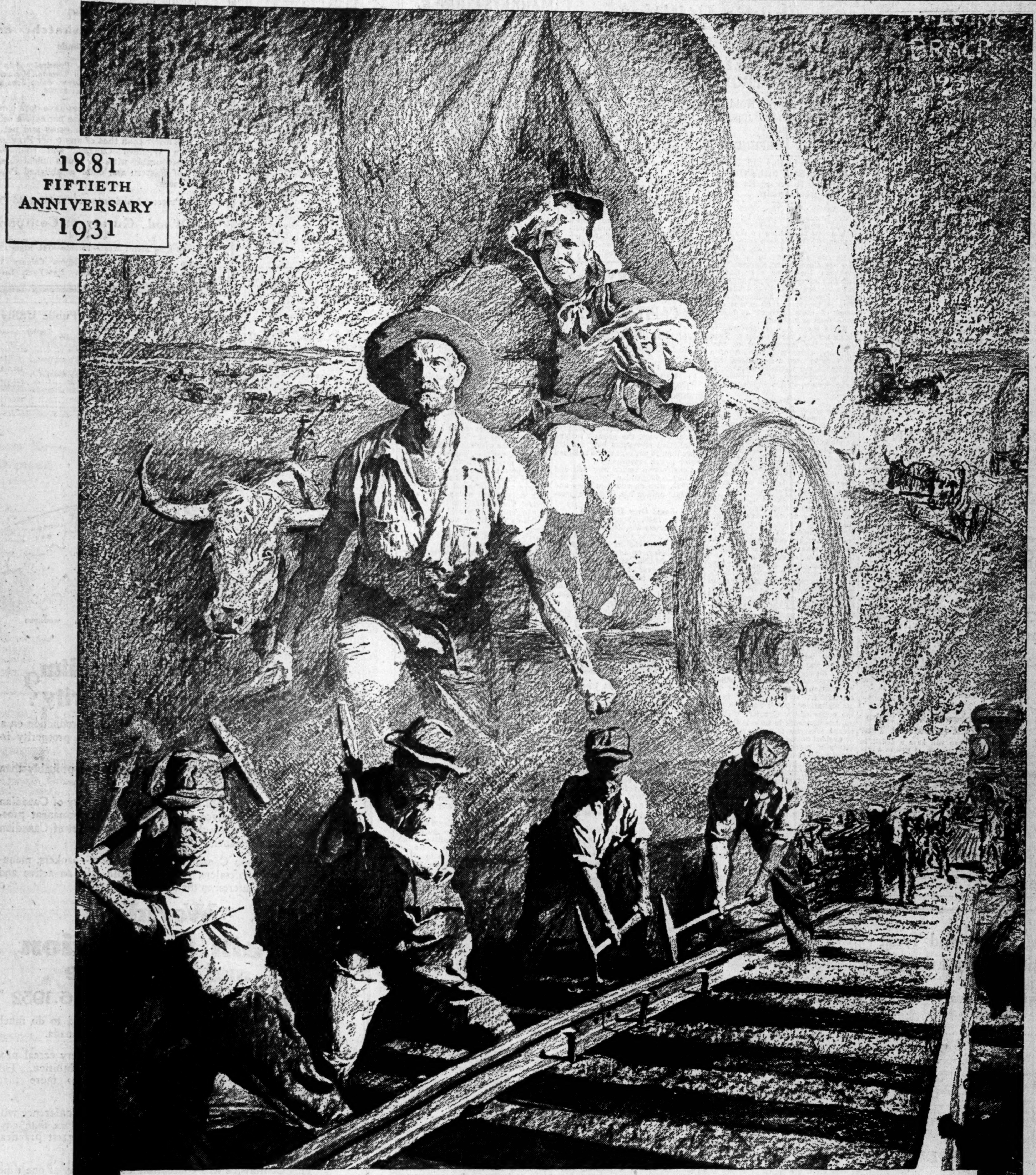

As the RAILS ADVANCED

AS the rails of the new Canadian Pacific Railway advanced, the settlers kept pace. Men, women and children walked alongside their plodding oxen to keep step with the road that was opening this virgin land. ℭ Settlers formed new towns. On the Pacific Coast Van Horne stood on a hill and said, "Here will be Vancouver." So the work advanced, not always smoothly, but sometimes with hard fighting. The railway pioneers had to face the scorn of those who said, "The road will never pay for its axle grease." ℭ Railway and settlers went forward side by side for the final conquest of the country.

Between 1881 and 1891 the population of Manitoba, the Northwest Territories (including the present Provinces of Alberta and Saskatchewan) and British Columbia rose from 168,000 to 350,000.

CANADIAN PACIFIC TODAY

The Canadian Pacific Railway runs from the Atlantic to the Pacific Ocean. Its liners sail from Vancouver and Victoria to Japan and China, and from Montreal, Quebec and Saint John to Great Britain and the Continent. It operates winter cruises to the Mediterranean, the West Indies and Round the World, and a winter service to Bermuda. Its chateaux and hotels represent the latest word in comfort and luxury. Its telegraph service employs 225,000 miles of wire. Its express travellers' cheques are current all over the world. Canadian Pacific offices and agents are to be found everywhere.

10N

CANADIAN PACIFIC

6%

McColl-Frontenac Oil Company Limited

6% 20-Year First Mortgage and Collateral Trust Convertible Bonds

Maturing 1949

Maintaining its record, McColl-Frontenac Oil Company Limited enjoyed the most successful year in its history in 1930.

The essential character of its business ... daily new and repeat demands for its products ... strategically-located distributing stations, are definite factors in the expansion of the Company's business.

The Company's 6% First Mortgage Bonds are well secured, pay a good interest return, and through the conversion privilege afford opportunity to participate in the Company's future growth.

Price 100 and accrued interest to yield 6%
(plus transfer tax)

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MONTREAL TORONTO

B. C. Electric Gas Appliance Sales Higher in December

From Our Own Correspondent

MONTREAL.—Gas appliance sales of British Columbia Electric Railway Co. in December, 1930, totalled $16,816 as compared with $11,413, in the same month in 1929. Estimated annual revenue from sales made in December, 1930, was higher by $600 at $6,442.

Electric appliance sales totalled $5,546 in December, 1930, representing the sale of 2,705 appliances. This compared with a total of $3,417 appliances sold in December, 1929, having a value of $6,333. The equivalent of kilowatts connected in 1930 was also lower at 843 kilowatts as against 1,151 in December, 1929.

Saskatchewan Will Have Deficit in Current Year

Saskatchewan will have a deficit in the current fiscal year as well as a loss of $299,134 in the fiscal year ended April 30, 1930, according to Hon. Howard McConnell's speech on the budget given recently. Estimates for the coming year total $29,688,275 as compared with $34,896,052 voted for the current fiscal year. The new estimates are featured by a marked reduction in capital expenditures, the required appropriation being $7,094,000 as compared with $13,690,000 in the current fiscal year.

The net debt of the province as at December 31, 1930, was $49,192,100. This was compared by the minister with $44,121,966 in Manitoba; $78,574,258 in Alberta and $99,432,180 in British Columbia.

The British Mortgage and Trust Corporation of Ontario

Balance Sheet
December 31st, 1930

ASSETS		
Capital Account:		
Office Premises		$ 54,787.95
Mortgages:		
Principal	$1,865,790.64	
Interest due and accrued	42,257.00	
		1,908,047.64
Bonds and Debentures:		
Canadian municipal bonds, principal	$62,451.23	
Int. due and accrued	1,563.00	
		$64,014.23
Other bonds, principal	$39,613.34	
Interest due and accrued	600.00	
		$40,213.34
Cash on hand and in chartered banks		$ 7,285.79
Advances to estates		3,400.00
Total Capital Assets		$2,077,748.95
GUARANTEED TRUST ACCOUNT		
Mortgages:		
Principal	$4,520,768.25	
Int. due and accrued	91,559.00	
		$4,612,327.25
Bonds and Debentures:		
Govt. bonds, principal	$ 73,505.77	
Int. due and accrued	1,219.00	
		$ 74,724.77
Canadian Municipal Bonds, principal	$ 309,332.02	
Int. due and accrued	7,296.00	
		316,628.02
Cash on hand and in chartered banks		54,925.98
Total Guaranteed Trust Assets		$5,058,606.02
ESTATES DEPARTMENT		
Estates, Trusts and Agency Funds		378,577.23
		$7,514,932.20
LIABILITIES		
Capital Account:		
Capital Stock fully paid		$ 782,700.00
Reserve Fund		1,000,000.00
Dividends declared and unpaid		62,496.00
All other liabilities		188,845.95
Profit and loss, credit balance		43,707.00
Total Capital Liabilities		$2,077,748.95
GUARANTEED TRUST ACCOUNT		
Guaranteed Investment Receipts:		
Principal	$3,040,694.59	
Interest accrued	39,913.00	
		$3,080,607.59
Trust Deposits:		
Principal and Interest		$1,977,998.43
Total Guaranteed Trust Liabilities		$5,058,606.02
ESTATES DEPARTMENT		
Estates, Trust and Agency Funds		$ 378,577.23
		$7,514,932.20
REVENUE ACCOUNT		
Brought forward from 1929		$ 76,697.16
Net profits on 1930 business		149,668.52
Premium on sale of capital stock		96,640.00
		$323,005.68
Of which the following distribution has been made:		
Half-yearly dividends Nos. 104 and 105 at the rate of 12%		$ 93,674.68
Bonus of 2%		15,624.00
Transferred to Reserve Fund		170,000.00
Balance carried forward to 1931		43,707.00
		$323,005.68

NELSON MONTEITH,
President.

W. H. GREGORY,
Managing Director.

Public Utilities

SAY COMMITTEE UNLIKELY TO GET TWIN CITY PROXY

Believe Canadian Holders Will Continue to Support Board

SCRIP IS DEFENDED

Preparation to Pay Off Bonds in Cash Said to be Only Way to Avoid Receivership

Invitation of a New York committee to shareholders of Twin City Rapid Transit Co. to give proxies with a view to shaking up the management of the traction company is not likely to meet much response in Canada, according to individuals who are close to the company. At one time, there was a substantial Canadian interest in the company and while the shares still are traded on the Toronto Stock Exchange it is believed that many Canadians disposed of their holdings at higher levels than now prevail.

While there is a disposition to blame some of the troubles of Twin City on the management of that company, there is not much of a tendency to trust a committee, self-appointed and virtually unknown to the shareholders, with power to make changes at Minneapolis and St. Paul.

Stock Moves Up

Mark Wolff, economist, A. W. Renz, president of the Midtown Bank of New York, Louis Kupfer and Victor P. Gough, described as a public utility specialist, are the committee; Clarence McMillan is counsel, Arthur A. Holland, engineer; is Canadian representative and Dr. William A. Dittmer is secretary. The address of Dr. Dittmer is 39 Broadway, New York.

Following the receipt of the letter from the committee, the stock rose on February 16 to above $16 per share. The reason for this is not apparent, unless, as was surmised in one quarter, the organization of the committee has been made by others the occasion for manipulation.

The committee claims that the present method of paying dividends, in scrip which is worth in cash about half its face value, can be changed; that the present management has been lacking in a spirit of progress; that revenues probably could be increased by adding more one-man cars and by other means; that public relations can be improved; and that the position of the company's securities can be improved by definite banking and market sponsorship.

Management Defended

As yet there has been no official recognition of the appeal of this committee. It is intimated in an authoritative quarter however, that the policy of the directors with regard to dividends in scrip is the only means whereby a receivership can be avoided unless there is in the near future a marked improvement in gross and net earnings.

Twin City has underlying bonds maturing in about five years. In view of the inability of the company to improve its earnings, its 5 per cent first mortgage and refunding issue, which was floated at par in 1927, is selling around 55.

It is pointed out that the Duluth-Superior Traction Co., now in receivership, was forced into that position simply because it could not refund its obligation which matured last year.

Horace Lowry, president, is the operating head of Twin City; much of the active management is in the hands of A. M. Robertson, vice-president and secretary. The one Canadian director is A. E. Ames of Toronto.

Lowry Makes Statement

Horace Lowry, president, stated in New York that the officers of the company had been in touch with Mr. Wolff for many months and that after investigation his ideas had not seemed practicable.

Mr. Lowry stated that the directors and officers of the company had given most careful thought to all its problems and had secured a substantial reduction in tax payments and brought other important economies of operation into effect, with the result that 1930 shows $4.31 earned on the common stock, as against $4.75 the previous year, which, in the face of existing conditions, indicates the careful manner in which the shareholders interests have been conserved.

Union Natural Gas To Pay Cash Dividend

Dividend to be paid by Union Natural Gas Co. on March 10 will be paid in cash only without the option of taking payment in stock. The dividend, payable to shareholders of record February 28, will amount as usual to 35 cents, plus a bonus of 5 cents. A similar dividend and bonus was paid on December 10, 1930, but shareholders were given the option of taking cash or accepting one new share of stock for each 50 shares held at $20 per share.

The annual meeting of the company will be held March 27 and it is expected that the annual report of the company will give effect to the purchase of the London Gas Co. and the consolidation with United Fuel Investments Ltd.

Muirheads Cafeterias To Pay Common Dividend

Directors of Muirheads Cafeterias Ltd. have declared a dividend of 10 cents per share on the no par common shares, payable March 1. No dividends have been paid on this stock since March 1, 1930. The usual dividend of 25 cents per share has been declared on the $10 par value preferred shares. The company pays three preferred dividends per year.

During the fiscal year ended February 28, 1930, the company earned 13 cents per share on the 78,710 common shares outstanding and the dividend, ordinarily payable on July 1, 1930, was passed. Business of the company is reported to have shown material improvement during the latter half of the present fiscal year.

List Associated Telephone

From Our Own Correspondent

MONTREAL. — Montreal Stock Exchange announce the listing of 115,000 shares of Class "A" stock of Associated Telephone and Telegraph Co., ticker abbreviations being "AT." This is an American company, controlling British Columbia Telephone Co., the second largest organization of its kind in Canada.

Mexico Tram Coupon Payable

Mexico Tramways Co. has given notice that coupon No. 36 of the general consolidated first mortgage 50-year 5 per cent bonds will be paid on and after March 1, 1931, at the Bank of Montreal, in Toronto, Montreal or London, Eng. The coupon is dated September 1, 1924.

Central Electric Output Increases

From Our Own Correspondent

MONTREAL.—Central electric station output in 1930 is estimated by the Federal Government at approximately 20,700,000,000 kw.h. What this means to Canada in the way of reducing the consumption of coal is well illustrated by an estimate prepared by the Dominion Water Power branch.

Applying a conservative figure of 1.69 pounds of coal per kw.h. (the average coal consumption per kw.h. of all public utility, electric power plants in the United States during 1929) the recorded output of power indicates an actual coal saving for 1930 of 17,500,000 tons of coal.

POWER SURVEY SHOWS GROWTH CAPITAL OUTLAY

Over $80,000,000 Invested in Equipment for Past Year

From Our Own Correspondent

MONTREAL.—Augmented by the installation of 397,850 h.p. brought into operation during 1930, Canada's hydraulic installation now has attained a total of 6,125,012 h.p.

One the basis of federal and provincial surveys, the present turbine installation represents only slightly more than 14 per cent of the recorded water power resources.

Construction under way will add 500,000 to 600,000 h.p. before the end of 1931, with an additional two and one-half million h.p. in active prospect.

Spent Over $80,000,000

During 1930, it was estimated that approximately $80,000,000 was spent on water power construction, bringing the total capital investment in this industry, up to almost $1,390,000,000. Of this amount over $1,168,000,000, or over 84 per cent, has been expended on land, buildings, plants and equipment. This is greater than the capital investment of any other manufacturing industry.

Of the total Canadian hydro electric developments at the end of 1930, the Dominion Water Power and Hydrometric Bureau reports that 5,214,336 h.p. is installed in central electric stations for general distribution for industrial, municipal, commercial, domestic and agricultural use.

Industry Largest User

A considerable proportion of the power generated by this installation is sold en bloc for the manufacture of pulp and paper, for the mining and reduction of minerals, and for electro-chemical production.

Some 579,826 h.p. of a total installation is installed in the power plants of pulp and paper mills. The pulp and paper industry also purchases electrical energy estimated at about 944,000 h.p. for power purposes from the central electric stations, together with a considerable quantity of surplus or off-peak power for use in electric boilers.

Serve Many Industries

Another 330,850 h.p., or 5.4 per cent of the total, is installed in general industrial plants such as mines and mineral-reduction works, electro-chemical plants, saw, grist and grinding mills, machine shops, municipal pumping plants, and for electric railway operation.

Stations Now Number 321

Canada's central electric station industry now includes 321 hydraulic stations with 843 hydraulic turbines totalling 5,214,336 h.p. Of these, 222 stations with a combined installation of 3,803,288 h.p. are owned by commercial organizations (joint stock companies or private individuals) and 99 stations of a combined installation of 1,411,048 h.p. by municipal organizations (municipalities, provincial commissions or other federal or provincial organizations).

The average commercial station's installation is 17,132 h.p., while that of the municipal stations is 14,253 h.p.

The total hydraulic installation of the Dominion now averages 617 h.p. per 1,000 of population, a figure which places Canada in an outstanding position among the water-power using countries of the world.

Southern Canada Power Net Earnings Show Gain

From Our Own Correspondent

MONTREAL. — Southern Canada Power Co. reports net earnings during January of $132,245, as compared with $131,903 in the same month a year ago. By the same comparison gross earnings showed a gain of $14,070, while operating expenses were higher by $13,728.

For the four months of the company's fiscal year ended with January, net earnings amounted to $526,679, as compared with $514,198 in the corresponding period a year ago. Gross earnings during the period totalled $832,978, up from $783,209, while operating expenses advanced from $269,011 to $306,299.

MARKETS COUNCIL IS RECOMMENDED BY COMMISSIONER

Would Advise Vegetable and Fruit Growers on Marketing Problems

EXTENDS MARKETS

Registration of Growers Might Finance Activities of Proposed Organization

The problems of the Ontario fruit and vegetable grower are chiefly those of distributing and marketing, according to the report of W. B. Somerset, who has just completed an enquiry for the Ontario Government. The commissioner has submitted ten findings on the present situation and makes 14 recommendations with a view to offering practical solutions of the marketing problems faced by fruit and vegetable growers in the province.

The commissioner finds that a carefully thought-out crop planting and marketing plan should be recommended to all growers and that production should be increased to take care of potential markets outside the province. Central packing and cold storage plants are necessary in all districts, while research into the development of commercial by-products from fruit and vegetables would be important in removing inferior grades from local markets.

Finds Lack of Organization

Advertising would prove beneficial in increasing local consumption and in developing western and eastern markets in Canada. Collective purchasing of fertilizers, packages and other supplies would save growers large sums of money. The growers' relations with canneries and wineries need revision. Toronto is stated to be a most unsatisfactory market at the present time and could be improved through establishment of a modern union terminal available to both railway and motor truck shipments. There is said to be a lack of any organization to deal with these problems effectively at the present time.

Arising from these findings, the commissioner recommends that a Fruit and Vegetable Growers' Market Council be established to deal with marketing problems. This council would be largely advisory and it is not recommended that any province-wide co-operative or any central selling agency be established. The council would have power to appoint committees to handle different problems. It is also recommended that all commercial fruit and vegetable growers in Ontario be registered and that a small registration fee per acre be charged. The advice of the markets council would be available to all registered growers. Licensing and bonding of all shippers, truckers and commission men is also urged.

Extend Markets

Sales promotion offices to cover Western Canada and Quebec and the Maritimes could be established, and with the export work in England and Europe already underway, could be under the direction of a committee of the council. Advertising is recommended as a means of increasing local consumption and capturing eastern and western markets. Funds would be available from the council.

Local marketing problems and terminal markets should be the special concern of a council committee which would act as a clearing house for grievances and undertake to establish the relations of growers, wholesalers and jobbers on a better basis. Surveys should be made each season of crop conditions and of sales possibilities of all the markets with a view to making recommendations to growers on how to expand or regulate production and how to market to best advantage.

Government assistance in establishing central packing plants and pre-cooling or cold storage facilities in all districts needing them is recommended. Requests for these facilities to be made through the council and responsibility for recommending them and their efficient administration to rest with the council. Cannery and winery grades and prices should be set in agreement between the growers and manufacturers by the markets council acting for the industry as a whole.

By-product research into the commercial possibilities of this disposal of low-grade fruits and vegetables should be promoted by the Government. A study should also be made of the possibilities of extending the seasons for marketing through cold storage and by the use of the new quick freeze method of preserving fruits and vegetables which can be sold in this way in off seasons in their original color, condition and flavor.

It is recommended steps be taken to prevent the marketing of immature fruits and vegetables such as plums, peaches, grapes, cherries, melons and tomatoes. Incalculable damage has been done to Ontario's trade in other markets through shipping this class of product, and regulations prohibiting this trade through a sugar content or other test, and by inspection, be urged.

Possibilities of the collective purchase of fertilizers, packages and other supplies should be fully canvassed. It is quite certain that large sums of money can be saved to the growers through such measures and marketing production costs reduced.

In the process of improving the quality of grades and pack of all lines for local and other markets, the possibilities should be considered of establishing an Ontario brand or guaranteed quality label to be licensed to growers or packers grading up to a certain standard.

In respect to sales promotion in western and eastern Canada the commissioner states that there is no suggestion of supplanting or ignoring the present established machinery of distribution, and direct marketing through the regular wholesale channels promoted by the commercial representative in each territory would be the programme. It is held that other portions of Canada cannot be developed satisfactorily by being treated as dump markets but must be regarded as export outlets to which well graded and well packed products would be sent.

To capture outside markets, central packing methods of grading, packing and packaging should be adopted in all districts. Each district has its own problems. Quick freezing is opening up a new field and gives promise of practical value to the fruit and vegetable growers.

McColl-Frontenac Enters Halifax Field

From Our Own Correspondent

MONTREAL. — McColl-Frontenac Oil Co. has applied for and received permission from the city of Halifax to construct storage tanks, warehouse and garage on the harbor front. Permission has also been secured to run a pipe line to that section of pier 9 at least from the Halifax Harbor Commission by the Canada Cement Co.

The new plant is designed to supply shipping in Halifax with fuel oil, gasoline and other products. Present plans call for the construction of three large storage tanks, in addition to warehouse and garage. McColl-Frontenac's engineers have already surveyed the site of the new plant and it is understood that construction work is to begin in the near future.

$250,000

Province of Saskatchewan

4½% Bonds

Due September 1st, 1955. Principal and half-yearly interest payable in Toronto, Montreal, Winnipeg, Regina, Vancouver, Saint John or New York. Denomination: $1,000,

Saskatchewan's finances have been carefully administered. The per capita debt of the Province—both gross and net—is lower than that of any other Province in Western Canada, and compares favourably with per capita indebtedness of Eastern and older established Provinces.

Price: 97 and interest, yielding 4.70%.

Wood, Gundy & Company
Limited

36 King Street West—Toronto—Tel. Elgin 4321

Toronto Montreal Winnipeg Regina Calgary Vancouver
London, Ont. Hamilton Ottawa New York London, Eng.

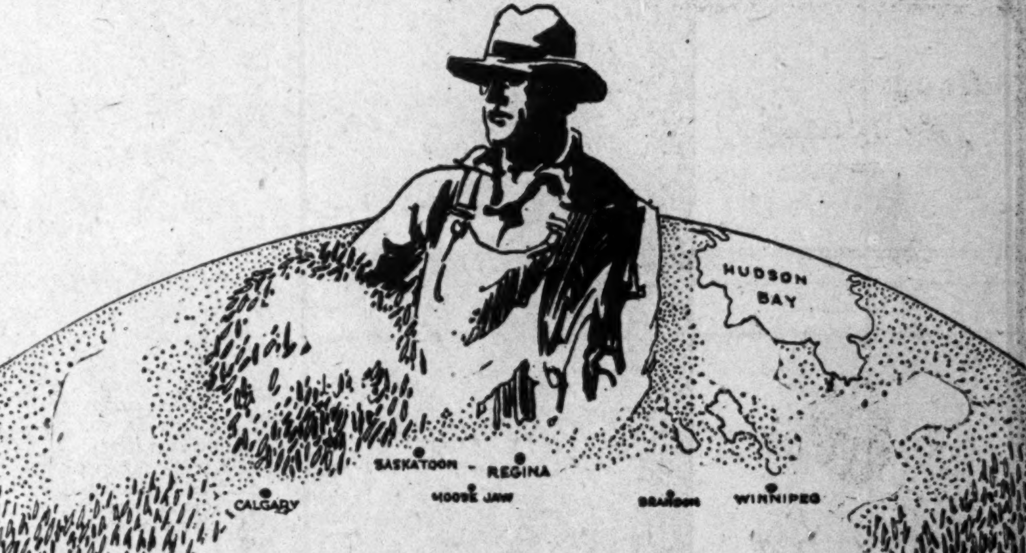
Public Utility Earnings

Southern Canada Power

January	1931	1930	Inc.
Gross	$212,593	$198,523	$14,070
Exp.	80,348	66,620	13,728
Net	132,245	131,903	342
Four Months:			
Gross	832,978	783,209	49,769
Exp.	306,299	269,011	37,288
Net	526,679	514,198	12,481

Members of New Investment Firm

T. E. GRIFFIS, A. B. FAIRCLOUGH, members of a new Toronto firm of investment bankers, Griffis, Fairclough & Norsworthy. The third member of the firm is G. C. Norsworthy, who also is well known in investment circles.



What Will Bring Him Permanent Prosperity?

One thing is clearly evident: Agricultural production on a profitable basis is the backbone of business prosperity in Canada.

This fact is recognized now more sincerely probably than ever before.

Every move designed to promote the prosperity of Canadian farmers and to place agriculture upon a permanent prosperity basis deserves the whole hearted support of Canadian business and financial men.

For this reason Canadian business leaders—bankers, manufacturers, wholesalers, retailers, should take an active and cooperative interest in the success of the

World's Grain Exhibition and Conference

REGINA, JULY 25 to AUG. 6, 1932

This great Canadian undertaking is designed to do much more than centre the eyes of the world on Canada.

Grain and seed samples from practically every cereal producing country of the world will be on exhibition. The competition for cash prizes amounting to more than $200,000.00 will be world-wide.

But unquestionably the serious work of the Conference will be of paramount importance. It will do more than anything else to lay bare, to analyse and to suggest practical solutions for the problems of agriculture.

This Conference will concentrate at one place, at one time, the combined wisdom and experience of the recognized leaders in agriculture of the whole world. It will constitute a virtual clearing-house for world knowledge and practice in the multitude of matters pertaining to this basic industry, particularly to such as have to do with the production of field crops and other allied activities—culture, costs, management, distribution, markets, milling, baking, financing—everything touching the prosperity of the industry.

The World's Grain Exhibition and Conference will give Canadian farmers new hope. It will light their way to more permanent prosperity.

EXHIBITION CONFERENCE

Further particulars will be sent you for the asking. Simply write the Secretary, World's Grain Exhibition and Conference, Imperial Bank Chambers, Regina, Canada.

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National Committee
HON. ROBERT WEIR,
Minister of Agriculture
for Canada

Chairman
Executive and Finance Committee
HON. W. C. BUCKLE,
Minister of Agriculture
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News of Investment Markets

BELL TELEPHONE FEELS EFFECTS OF DEPRESSION

Share Profits Less Than Amount Necessary for Dividends

PLANT VALUE HIGHER

Company Continues Policy Maintaining Service Despite Low Income

From Our Own Correspondent

MONTREAL.—Bell Telephone Co. of Canada reports share earnings of $7.26 each for 1930, as compared with $9.01 in the preceding year. In order to meet the dividend requirements of $8.00 a share, it was necessary to take $264,743 from the corporate surplus.

Gross revenue for the year amounted to $41,360,925, made up of $30,174,235 of exchange revenue and $10,372,127 of long distance revenue. In the preceding year exchange revenue totalled $28,945,314 and toll revenue $10,343,894, making an aggregate of $40,031,358.

Revenue Below Estimate

It is pointed out in the report that as neither exchange nor long distance business reached the growth for which plant was provided in 1929 and 1930, the carrying charges on the plant so added have been important factors in reducing net earnings to an amount slightly below that required for dividends.

This is more apparent in the following comparative table of the profit and loss account for the past two years:

	1929 $	1930 $
Operating revenue ...	40,031,368	41,360,925
Operating expense ...	30,113,272	31,050,110
Net revenue	9,918,086	10,310,815
Less: Uncollect. rev..	185,080	279,463
Taxes on oper.	1,665,000	1,768,100
Operating income	8,068,006	8,263,252
Add: Non-op. income .	919,637	1,343,859
Gross income	8,987,643	9,607,111
Less: Rent & misc. ..	295,592	377,456
Bond interest	2,599,386	3,164,795
Other interest	504,570	583,939
Debt, disc., etc.	60,026	67,592
Balance net income ..	5,528,069	6,416,328
Less: Dividends	4,859,943	5,681,071
Corporate surplus ...	668,126	*264,743

*Deficit.

The net gain in telephones for the year was 23,340, compared with 47,211 in the preceding year. This growth involved connecting 222,968 telephones and disconnecting 199,628. At the end of the year 67.3 per cent of the telephones in service were in residences. Of the telephones gained 19.0 per cent represent extensions added by subscribers to increase the convenience of their service.

Assets Over $200,000,000

Balance sheet of the Bell Telephone at December 31 last shows total assets of $200,593,880, up from $179,680,189 at the end of the preceding year. It is noted that there has been an improvement in the working capital position of the company, current assets exceeding current liabilities by approximately $2,000,000.

Details of assets show fixed capital at several millions higher. Investment in land and buildings has advanced from $17,354,391 to $19,477,079. Around $9,000,000 was invested in telephone plant and equipment during the year, bringing that item up to $158,918,407. There was also a moderate increase in the value of general equipment, which now stands at $4,041,827.

Security Values Higher

Investment securities have increased in value from $6,899,632 to $9,618,936.

Working assets do not show any material change, except in the case of materials and supplies which are lower by nearly $1,000,000 at $2,195,019. Cash on hand has declined to $95,783 from $341,532.

Add to Capital

On the liabilities side of the ledger sheet, common stock outstanding now totals $74,623,000. It will be recalled that in 1929 the company offered shareholders 120,787 shares of new stock, which became fully paid-up during the year.

Two bond issues were placed on the market during the year, bringing the funded debt up to $70,824,899.

The total amount of new money realized by the company from its financing operations was $21,064,959. Out of this bank loans, which at the end of 1929 amounted to $6,100,000, were repaid, and the balance was used to finance new construction in 1930.

Bank loans at December 31, 1930, amounted to $800,000.

Depreciation reserve has been increased from $31,023,598 to $34,224,326, while there has been a minor gain of $12,000 to $77,749 in the reserve for the amortization of intangible capital.

Premiums on capital stock now stand at $5,443,115, up from $2,239,218. Corporate surplus has been lowered from $6,226,408 to $6,090,807.

Speaks on Operations

In his remarks to the shareholders, C. F. Sise, president, said in part:

"Connecting with the Bell Telephone Co., under mutually satisfactory arrangements, are 839 other telephone systems in Ontario and Quebec with 141,835 telephones.

"In common with other public services, the telephone industry has been adversely affected by the world-wide business depression. Use of local and long distance service has become so wide-spread, due in part to moderate rates, that fluctuations in business are reflected in the volume of traffic and earnings more quickly and extensively than would have been the case a few years ago. Nevertheless, as the foregoing results show, there has been an increase in the number of telephone users and also in long distance revenue.

"While substantial economies were effected, your directors decided that it was preferable to draw upon the corporate surplus to make good any deficiency in the requirements for dividend rather than to apply more drastic measures of curtailment which would have tended to lower the standard of service to the public and have aggravated the general unemployment situation. They are confident that this considered policy will meet with the approval of shareholders.

Additions to Plant

"Gross additions to the company's plant in 1930 amounted to $28,230,000 of which the principal items were:

Land and buildings	$2,244,000
Central office equipment	8,389,000
Subscribers' station equipment ..	5,687,000
Exchange lines	5,845,000
Toll lines	5,477,000

"Existing plant, the original cost of which was $9,068,000 was retired from service."

Declare Hiram Walker Dividend

Directors of Hiram Walker-Gooderham & Worts, Ltd., have declared the usual dividend of 25 cents per share, payable March 16 to shareholders of record, February 20.

Bond Redemptions

MONTREAL. — West Kootenay Power & Light Co. will redeem on June 15 next at 104 and accrued interest, all of its series "A," 6 per cent, general mortgage sinking fund gold bonds due June 15, 1943. The same company will redeem all the outstanding first mortgage bonds, maturing in 1940, on September 1 next at 110 and accrued interest.

* * *

Cascade Water Power and Light Co. will redeem all its outstanding 4½ per cent first mortgage bonds, due March 1, 1940, at an early date.

Bond Issues—	Rate	Due	Redeem.	Price
Milton Brick ...	*6½%	Var.	†Apr. 1	101
B. C. Telephone ..	4½%	1962	†Nov. 1	105
Moore Corp.	*6%	1939	Apr. 1	104
Buffalo & Ft. Erie Pub. Bridge	*8%	1945	Apr. 1	104
Wabasso Cotton ..	*6%	1947	June 1	105
West. Kootenay Pr.	6%	1940	Sept. 1	110
West. Kootenay Pr.	6%	1943	June 1	104
Toronto Conservatory of Music	*5%	....	Mar. 1	103
Foreign Issues—				
Argentine Govt. .	*4½%	1888-9	Apr. 1	100
Buenos Aires	*6%	1961	Mar. 1	100
Rep. of Chile Ext. .	*6	1962	Mar. 1	100
Rep. of Chile	*6%	1962	Mar. 1	100
Chilean Cons. Mun. Lona Ext.	*6%	1960	Mar. 1	100
Rep. of Peru	*7%	1955	Mar. 1	105

*Called in part.
†Or before.

MUNICIPAL BOND PRICES ARE HIGH; VOLUME IS GOOD

Ottawa Secured New Money on Cost Basis of 4.61 Per Cent

FUTURE IN DOUBT

Possibility of Large Federal Loans May Tend to Reduce Bids on New Issues

Following closely on extremely good prices received by several municipalities for new issues, there has been a substantial number of Canadian cities entering the market and the amount of bonds for which tenders have definitely been called during the next three weeks amounts to $6,539,776. Anticipated for some months, Toronto is calling for tenders on an issue of $4,836,000 4½ per cent serial debentures having an average maturity of 16.1 years.

During the past two weeks a number of cities have secured money at a very low cost. Kitchener sold $330,000 of debentures on a cost basis of $4.84 per cent at the end of January. During the past week, London sold on a 4.78 per cent basis, Ottawa on a 4.61 per cent basis and Brantford on a 4.82 per cent basis. All these bids are regarded as extremely good and are considerably better than prices secured by the same cities in recent years.

Highest Bids Rejected

Keen bidding for new issues is due in large part to low inventories of investment bankers as well as the high regard in which the above municipalities are held in investment circles. The opinion is shared by a number of investment bankers that prices were possibly too high in view of general conditions but both London and Ottawa rejected the highest bids entered due to technicalities. Institutional investors are stated to be buying in some volume but individuals largely remain out of the picture. The recent municipal offerings have yet to be fully absorbed.

Ottawa received an exceptionally high price for $1,176,000 4½ per cent installment debentures maturing in 10, 15, 20 and 30 installments, the cost to the city being 4.61 per cent. Maturities from 1938 to 1942 were offered in Canada at 100.25 and 1943 to 1960 maturities at par to yield 4½ per cent. This is considerably under the yield of 4.60 per cent on which basis the recent Canadian National Railway bonds were sold. It is reported that the amount of the Ottawa bonds placed in Canada will be small and that the issue will be placed largely in New York, where its bonds are highly regarded.

Considerable success attended the recent offering of two first mortgage public utility bonds which have been largely absorbed. Public utility issues have come strongly to the fore during the past year and have greatly exceeded industrial bond flotations in volume. Previous to 1930 this was not the case.

Future is in Doubt

With municipal issues coming on the market in good supply and others likely, the prospect of the same high scale of prices is somewhat in doubt. Dominion financing which must be undertaken during the present year is an immediate possibility while the Province of Quebec and Montreal will also float loans. Added to the Canadian situation is the possibility of large Federal loans in the United States to finance loans on soldiers' insurance. The bill has passed the House with a good majority and strong pressure is being brought to bear in the Senate. If the bill passes the latter body it is regarded as likely that it will be vetoed by President Hoover. Its fate thereafter would be uncertain.

In its present form, the bill calls for increased advances on soldier's insurance policies at a lower rate of interest. The original suggestion that these insurance policies be cashed would have entailed financing by the government to the extent of some $3,400,000,000. In its present modified form the bill is stated to provide for loans up to a total of $1,700,000,000. To sell United States Government bonds to this amount would still have a demoralizing effect on high grade bond prices and so long as the issue remains in doubt the bond market is uncertain.

Traders' prices on high grade Canadian Government and corporation bonds have firmed during the past two weeks particularly in Dominion and Dominion guaranteed issues. During the week ended February 17 there were 22 gains and 15 unchanged in a selected list of 37 Canadian bonds.

Bond Sales

LONDON, ONT.

A. E. Ames & Co. and the Bank of Nova Scotia were awarded $1,218,300 4½ per cent and 5 per cent debentures of London, Ont., at 101.025; cost basis 4.78 per cent. Debentures are payable in London.

R. A. Daly & Co., Canadian Bank of Commerce and Fry, Mills, Spence & Co. bid 101.046 but failed to state that this bid included accrued interest and the bid was rejected and the bonds sold to the next highest bidder.

Bids received by the city are as follows: in order of acceptance:

1 A. E. Ames & Co., Bank of Nova Scotia	101.025
2 Wood, Gundy & Co.	100.879
3 Gairdner & Co., C. H. Burgess & Co., Dyment, Anderson & Co., Hannaford, Birks & Co.	100.78
4 Matthews & Co., Dominion Bank, Hanson Bros.	100.537
5 Bank of Montreal, Dominion Securities Corp.	100.47
6 McLeod, Young, Weir & Co., Bell, Gouinlock & Co.	100.44
7 Royal Bank, Pitfield & Co.	100.317
8 R. A. Daly & Co., Canadian Bank of Commerce, Fry, Mills, Spence & Co.	*101.046

*Rejected.

OTTAWA, ONT.

Dominion Securities Corp. and Imperial Bank were awarded $1,176,441 4½ per cent installment debentures of Ottawa on a bid of 99.238, a cost basis of 4.61 per cent. The highest bid of 99.278 submitted by Nesbitt, Thomson & Co. was rejected due to an irregularity, reported to be failure to extend the bid price to a total for the entire issue.

The bonds are all dated July 1, 1930, and are payable at the Bank of Nova Scotia in Ottawa and Toronto and Montreal or at the agency of the Bank in New York City. Maturities are as follows: $181,846 in 10 installments; $421,596 in 15 installments; $528,000 in 20 installments and $50,000 in 30 installments. Bids received by the city were as follows:

1 Dominion Securities Corp., Imperial Bank	99.238
2 Wood, Gundy & Co., Royal Bank	98.90
3 Bank of Montreal, First National Bank of New York, A. E. Ames & Co.	98.69
4 Gairdner & Co., Hannaford Birks & Co., C. H. Burgess & Co., Drury & Co.	98.412
5 McLeod, Young, Weir & Co., Bell, Gouinlock & Co., W. C. Pitfield & Co.	98.31
6 Canadian Bank of Commerce, Greenshields & Co., R. W. Pressprich & Co. (N.Y.), Matthews & Co.	98.166
7 Dyment, Anderson & Co., Mead & Co., Fleming, Denton & Co.	98.164
8 Fry, Mills, Spence & Co., Chemical Securities Corp. (N.Y.)	98.158
9 Bank of Nova Scotia, R. A. Daly & Co., Hanson Bros.	98.116
10 National City Co., Harris Forbes & Co.	98.079
11 Royal Securities Corp., Bancamerica-Blair Corp.	97.811
12 Nesbitt, Thomson & Co., E. Lowber Stokes & Co., (Philadelphia)	*99.278

*Rejected.

DISTRICT OF BURNABY, B.C.

Fry, Mills, Spence & Co. and Odlum, Brown & Co., were awarded $342,466 5 per cent debentures of the district of Burnaby, B. C. at 100.29; cost basis 4.98 per cent. The debentures are dated January 31 and mature as follows: $27,550 on January 2, 1941; $59,916 on March 31, 1961; $110,000 on January 31, 1961, and $145,000 on January 31, 1946. Bids were as follows:

1 Fry, Mills, Spence & Co., Odlum, Brown & Co.	100.29
2 Wood, Gundy & Co., Pemberton & Son	100.177
3 Bell, Gouinlock & Co., McLeod, Young, Weir & Co.	99.71
4 Royal Financial Corp., Read Bros. & Co.	98.621

SHERBROOKE, QUE.

Dominion Securities Corp. and Royal Bank were awarded $532,500 5 per cent serial debentures of Sherbrooke, Que. at 101.287; cost basis 4.89 per cent. Maturities are $445,000 dated March 1, 1931, payable in 30 annual serial installments and $87,500, dated February 1, 1931, and payable in 20 annual serial installments. Bids received were as follows:

1 Dominion Securities Corp., Royal Bank	101.287
2 Canadian Bank of Commerce, Bell, Gouinlock & Co.	101.18
3 Bank of Montreal, A. E. Ames & Co.	101.078
4 Fry, Mills, Spence & Co.	101.03
5 Gairdner & Co., C. H. Burgess & Co., ...	100.632
6 Wood, Gundy & Co., Hannaford, Birks & Co.	100.587
7 W. C. Pitfield & Co., Hanson Bros., McLeod, Young, Weir & Co.	100.13
8 Banque Canadienne Nationale, Rene T. Leclerc & Co., Ernest Savard & Co.	99.76
9 Geoffrion & Co., Banque Provinciale	98.81

BRANTFORD, ONT.

Canadian Bank of Commerce and Bell, Gouinlock & Co. were awarded $426,000 4½ per cent installment debentures of the city of Brantford maturing from 11 to 30 years and payable at Brantford at 95.83; a cost basis of 4.82 per cent. It is reported that the shorter maturities were sold locally. Bonds are dated December 15, 1930, and interest is payable semi-annually. A. K. Bunnell, city treasurer, states that this is the best price received by the city in many years. Bids were as follows:

1 Canadian Bank of Commerce, Bell Gouinlock & Co.	95.83
2 Royal Bank, Gairdner & Co.	95.772
3 Wood, Gundy & Co., ...	95.639
4 R. A. Daly & Co. & Matthews & Co.	95.579
5 Dominion Securities Corp.	95.57
6 Fry, Mills, Spence & Co., Dyment Anderson & Co.	95.54
7 Harris MacKeen & Co.	95.52
8 C. H. Burgess & Co.	95.348
9 A. E. Ames & Co., Dominion Bank	95.268
10 Bank of Montreal	95.197
11 J. L. Coad & Co., Cochran & Co.	95.149
12 H. R. Bain & Co.	94.29

SIMCOE, ONT.

Dominion Securities Corp. has been awarded $78,544 5 per cent 20-installment debentures of the town of Simcoe, Ont., at 100.27; cost basis 4.97 per cent. Bids are reported as follows:

1 Dominion Securities Corp.	100.27
2 Gairdner & Co.	99.77
3 Canadian Bank of Commerce	99.55

Easy Washing Machine To Report Earnings Drop

Report of Easy Washing Machine Co., which probably will be available within a week, will show a reduction in earnings, it is said, as compared with 1929.

In 1929, after all deductions, profit was $29,410, which left $7.40 per share of preferred, against dividend requirement of $7, and 41 cents per share on the common on which $1.50 had been paid. No common dividend has been paid this year.

Maple Leaf Club Financing Will Provide Hockey Arena

Shareholders of the Maple Leaf Hockey Club have approved sale of the company to a new company to be known as Maple Leaf Gardens Ltd. Financing by the latter company is in prospect as a new arena is planned. The offering will take the form of preferred stock with a bonus of one share of common with each five shares of preferred.

Shareholders of the old company will receive one half share of $10 par value preferred and one share of no par common stock in the new company for each share now held. Present stockholders will thereby hold 10,500 preferred shares out of a total issue of 70,000 shares and 21,000 common shares of a total of 35,000 shares which will be outstanding.

Bond Tenders

7 o'clock, Feb. 19, School Commission of Rigaud—$4,800, 5 per cent, 40 year, serial bonds, dated July 1, 1929. J. Deom, sec.-treas.

Feb. 20, City and County of Saint John, N.B.—$1,300,000 4½ per cent, 40-year debentures, due January 2, 1971. For new general hospital. Tenders were previously called on this issue for January 20, 1931, and all bids were rejected.

5 p.m., Feb. 20, Portage La Prairie—$18,000, 5 per cent, maturing January 2, 1951. Interest semi-annually July and January 2. Sinking fund payments at the rate of 4 per cent per annum sufficient to retire entire issue at maturity. W. R. Grieve, sec.-treas.

Feb. 21, Harwich Township, Ont.—$27,040 5½ per cent debentures. No details stated.

Feb. 23, Walkerville, Ont.—$40,734 5 per cent installment debentures maturing December 14, 1931-1950.

Feb. 23, Hanover, Ont.—$59,367 5 per cent installment debentures dated November 1, 1930, and maturing $41,210 in 20 installments and $18,157 in 30 installments.

7 o'clock, Feb. 24, Town of Victoriaville—$50,000, 5 per cent, 20 year bonds, dated Jan. 1, 1931, redeemable serially from Jan. 1, 1932 to Jan. 1, 1951. Interest payable Jan. and July 1. W. Fortier, sec.-treas.

12 o'clock, Feb. 24, Toronto—$4,836,000, 4½ per cent, serial debentures issued for various purposes. Principal and interest payable in Toronto, London, England and New York. Wm. J. Stewart, mayor.

4 o'clock, March 2, Grand'Mere, Que. —$150,000, 5 per cent serial local improvement bonds, redeemable Feb. 1, 1932 to Feb. 1, 1961. Capital and semi-annual interest (Feb. and Aug.) payable at Banque Canadienne Nationale, Grand'Mere, Montreal or Quebec, or at Bank of Montreal, Toronto. J. E. Derziel, sec.-treas.

8 o'clock, March 2, Hawkesbury—$16,580, 5½ per cent, 20-installment debentures to redeem debentures falling due in 1931. Eug. Paquette, clerk. (See announcement on page 8).

March 10, Township of Cornwall—$32,255 5½ per cent debentures maturing as follows: $2,210, 20-installments; $29,185, 20-installments, and $860 5 installments. Vincent McDonald, township clerk, Mille Roches, Ont.

Noon, March 7, Wilkie, Sask.—$5,000, 6 per cent, 20-installment debentures. J. A. Dinsley, Wilkie. (See announcement on page 8).

W. H. Bosley & Co.
Real Estate
Make Your Property Productive
You naturally want to make your Real Estate productive, but the problem of what to build on any given plot of ground is difficult to solve. There is no standard rule to follow. Neighboring owners may have built one certain type of structure. Perhaps this may be the very reason for making yours different. It all depends. We specialize in solving just such problems as this. Let us show you how to make your Real Estate more productive.
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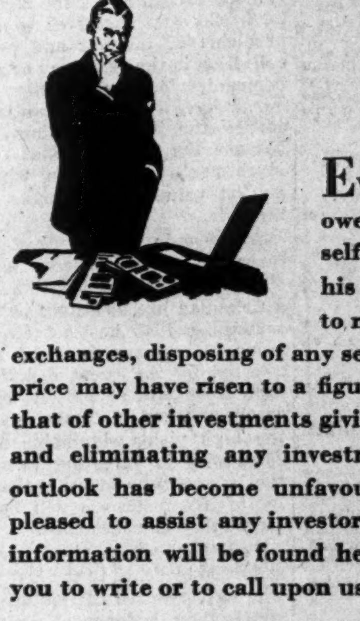
EVERY investor plainly owes it as a duty to himself regularly to review his holdings with a view to making advantageous exchanges, disposing of any security whose market price may have risen to a figure out of relation to that of other investments giving equal protection, and eliminating any investment for which the outlook has become unfavourable. We shall be pleased to assist any investor in doing this. Our information will be found helpful; and we invite you to write or to call upon us at any time.
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540

Stimulate Fertilizer Use

Officials of the Nova Scotia Department of Agriculture and representatives of fertilizer companies of Eastern Canada met in Halifax recently to plan means of encouraging a more intelligent use of fertilizer on the part of the farmers in need of guidance

The Earning Power of 50 Corporations Protects This Investment
WHEN investment income is drawn from 50 leading Rail, Public Utility and Industrial enterprises, it is safeguarded to the fullest possible extent by one of the cardinal principles of sound investment—diversification.
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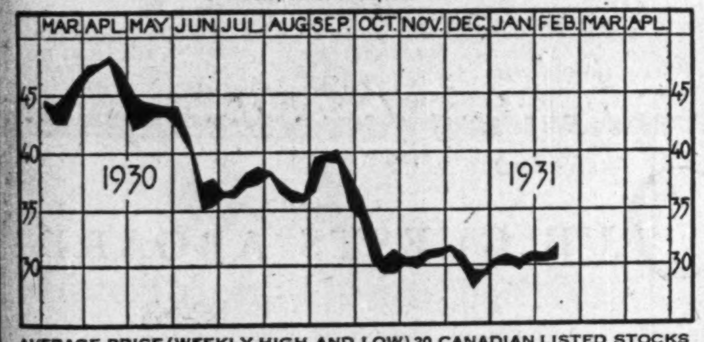
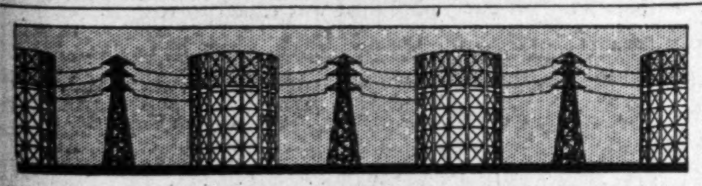


AVERAGE PRICE (WEEKLY HIGH AND LOW) 20 CANADIAN LISTED STOCKS



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Yielding 5% to 6½%
THE present market offers exceptional opportunities. Sound utility bonds, available at prices to yield from 5% to 6½%, include:
Associated Electric . . 4½'s of 1953
Associated Gas & Electric 4½'s of 1949
Associated Gas & Electric 5's of 1950
Associated Gas & Electric 5's of 1968
New England Gas & Electric 5's of 1947
New England Gas & Electric 5's of 1950
GENERAL UTILITY SECURITIES
Incorporated
61 Broadway, New York
Please send me Circular B-70 regarding the Associated Gas and Electric System and Associated Securities.
Name
Address

Summary of Week's Annual Reports

A brief analysis of common stock earnings per annual statements received since last week's issue. Earnings per share are shown in brackets when they are before depreciation or income tax, or both, as indicated against "net income." The market price is the close on Tuesday this week, or last sale. Company name in bold type indicates listed stocks. The net income shown, is before preferred dividend, if any.

Company	Year end.	Net income 1930	Net income 1929	Common share earnings 1930	Common share earnings 1929	Curr: divd.	Surplus after dividends 1930	Surplus after dividends 1929	Mkt.	Mkt. times earn.	Yield
Aldred Invest. Corp.	Dec. 31	*‡60,703	*‡94,688	...	...	...	†‡25,703	†‡19,526	...	...	...
For. Power Securities	Oct. 31	‡419,209	‡740,415	(.95)	(3.52)	1	d5,791	‡415,897	10	...	10.0
London Can. Inv. Corp.	Dec. 31	297,133	400,627	.28	.29	...	97,133	100,627	...	...	...
Monarch Knitting	Dec. 31	d94,613	114,527	...	4,86	...	d147,113	75,152	...	...	...
Montreal Loan & Mtge.	Dec. 31	87,993	87,526	3.67	3.65	3+.25	9,993	9,526	48 Dec. 13		6.77
Shawinigan W. Power	Dec. 31	‡5,770,670	‡5,107,979	(2.65)	(2.34)	2.50	‡325,045	d161,626	52½	...	4.76
Simpsons, Ltd. ("B")	Dec. 31	1,344,776	§1,010,580	2.61	2.26	...	433,640	511,414	33½	12¾	...
Tip Top Tailors	Jan. 3	249,041	602,907	1.11	4.09	...	135,526	490,997	12	10¾	...
Trusts & Guarantee	Dec. 31	153,205	165,883	7.75	8.40	6	34,684	25,933	90	11½	6.66
Weston, Geo., Ltd.	Dec. 31	193,155	140,597	2.60	1.44	1	x33,155	72,063	30¾	11¾	3.75
Woods Manfg. Co.	Dec. 31	d153,558	125,242	...	1.07	...	d260,539	18,261	...	...	...

*Before writing off debenture discount and organization expense, $20,000. †After write-offs, and (1929 only) common dividends. ‡Before income tax. §For 7-months period only. d Deficit. x After $50,000 to contingent reserve.

WEEKLY RECORD OF FINANCING IN CANADA

SALES BY MUNICIPALITIES, PROVINCIAL AND DOMINION GOVERNMENTS

Municipal—	Date Sold	Sold To	Rate	Maturity	Amount	Price	Basis
Ottawa	Feb. 14	Dominion Securities Corp., Imperial Bank ...	4½%	10-ins.	181,846	99.238	4.61%
			4½%	15-ins.	421,596		
			4½%	20-ins.	523,000		
			4½%	30-ins.	50,000		
London	Feb. 16	A. E. Ames & Co., Bk. of Nova Scotia	4½ & 5%	10, 18 & 20-ins.	1,218,300	101.025	4.78%
Burnaby District, B. C.	Feb.	Fry, Mills, Spence & Co., Odlum, Brown & Co.	5%	1941	27,500	100.29	4.98%
			5%	1946	145,000		
			5%	1961	169,916		
Sherbrooke, Que.	Feb. 16	Dominion Securities Corp., Royal Bank	5%	20-ser.	87,500	100.287	4.89%
			5%	30-ser.	445,000		
Brantford, Ont.	Feb. 11	Can. Bank of Commerce, Bell, Gouinlock & Co.	4½%	21-yr. aver.	426,000	95.83	4.82%
Simcoe, Ont.	Feb.	Dominion Securities Corp.	5%	20-ins.	78,544	100.27	4.97%

OFFERINGS OF CORPORATIONS AND FOREIGN SECURITIES

Stock Issues—	Date Issued	Offered by	Rate	Due	Amount	Offered	Yield
Benny Mines	Feb.	Company	Com.	....	250,000 shs.	$1	.....
North British Royalty Trust Shares	Feb.	North British Investments	Series "A" ...		....	$10	.....

Twenty-Fourth Annual Report
CHARTERED TRUST AND EXECUTOR COMPANY
Head Office: 34 King St. West, Toronto. Montreal Branch: 132 St. James St. West.
Year Ending December 31, 1930

ASSETS

Capital Account:

Office Premises ...	$307,540.50	
Safety Deposit Vaults	34,172.92	
		$341,713.42
Real Estate held for Sale.....		2,638.59
Mortgages	$201,840.19	
Interest Due and Accrued	2,738.01	
		204,578.20
Loans on Collateral Securities		137,185.00
Bonds and Debentures........		423,727.70
Stocks		30,241.20
Cash on Hand and in Banks..		65,487.20
Advances to Trusts, Estates and Agencies		158,474.24
Accounts Receivable and Deferred Commissions		37,348.65
Office Furniture and Fittings at Toronto and Montreal ...		39,444.35
Other Assets		2,347.00
		$ 1,443,185.55

Guaranteed Trust Account:

Mortgages— Principal	$754,171.04	
Interest Due and Accrued ...	11,793.32	
		$ 765,964.36
Bonds and Debentures		581,495.13
Loans on Collateral Securities		1,273,835.81
Cash on hand and in Chartered Banks		565,847.93
		3,187,143.23

Estates, Trusts and Agencies Account:

Cash, Securities and Other Properties held for Estates, Trusts and Agencies	18,032,918.38
	$22,663,247.16

LIABILITIES

Capital Account:

Capital Authorized .	$2,500,000.00	
Capital Subscribed and fully paid	$1,000,000.00	
Rest	230,000.00	
Mortgages Payable on Office Premises	165,438.30	
Accounts Payable	21,718.96	
Reserve for Dominion Taxes	5,380.75	
Dividend No. 59, payable Jan. 2, 1931	14,968.75	
Unclaimed Dividends ...	45.60	
Balance at Credit of Profit and Loss	5,633.19	
		$ 1,443,185.55

Guaranteed Trust Account:

Trust Fund for Investment	$1,763,678.35	
Trust Deposits	1,423,464.88	
		3,187,143.23

Estates, Trusts and Agencies Account:

Estates, Trusts and Agencies under Administration by the Company (not including Bond Issues amounting to over $40,000,000, secured by mortgages to the Company)	18,032,918.38
	$22,663,247.16

Certified correct as per certificate of audit attached.
(Sgd.) ARTHUR J. HARDY,
(Sgd.) HARVEY A. LEVER, C.A.
Auditors,

OFFICERS
President
JAMES Y. MURDOCH, K.C.
Vice-Presidents
W. S. MORDEN, K.C. JOHN J. GIBSON, *General Manager*,
Secretary
E. W. McNEILL

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TORONTO, FEBRUARY 19, 1931

COMBINES INVESTIGATIONS SHOULD BE FAIR

NOW that the validity of the Combines Act has been sustained, prosecutions have been instituted against those who have been found by commissioners under the Act to be operating combines against the public interest. And further investigations may be launched by the Dominion Government. Combines legislation would never be necessary if all business men and trade groups were permeated with the same spirit of public service and fair dealing that actuates most Canadian business leaders.

Experience in connection with some of the investigations that have been conducted seems to suggest that the present system, while it has much merit, may not be entirely fair either to the groups under investigation or to business as a whole if good men are not appointed as commissioners. The present procedure, when a complaint is received from responsible citizens charging that a combine exists, is for the registrar under the Combines Act to make a quiet personal investigation in which he will occasionally be assisted by an independent investigator. If this preliminary survey indicates that a combine probably does exist the next step usually is to appoint a full-fledged commissioner with high court powers to examine witnesses under oath and generally to conduct a complete investigation, parts of it often held in public. If he finds a combine to exist he so reports and it is then the job of the legal authorities of the different provinces to prosecute in the courts.

The weak link in the chain at present is in the appointment of the commissioners. Some excellent men have acted in this capacity. But the commissioner may be a party hack, in which case the investigation will be a complete failure. He may be a bull dozing prosecuting attorney out to make a case on whatever evidence is submitted to him. He may come to the investigation with a thoroughly prejudiced mind. These are no theoretical dangers as anyone familiar with the history of combines investigation knows. More than one commissioner has shown himself prejudiced from the start.

The commissioner appointed to conduct a Combines Act investigation should be a thoroughly experienced judge, entirely removed from private corporation legal practice or political ties. He should hear evidence without prejudicial comment, without playing to the reportorial gallery. Vested with all the powers of an Inquisition he must be careful not to condemn until all the evidence is in. Even if he retains an open mind his public comment throughout the investigation should not be such as to cause the public to condemn. In short, being a judge for the moment, the commissioner should act as one.

If judges or judicially minded men cannot be appointed to such commissionerships then the full dress investigation had better be dropped entirely leaving it to the preliminary investigation to find the facts for necessary court action if any. But this would remove from the operation of the Combines Act a feature that can be made of a great value—the open court where improper combination, monopoly and boycott are brought into the bright light of publicity and where those falsely accused of such practices can defend themselves before the court of public opinion. Publicity is more potent than punishment but it must be fair publicity.

LIFE INSURANCE PROVES STABILIZING FORCE

LIFE insurance companies are today sharing in the economic problems of the world and the annual statements of some of the Canadian companies reveal this. A high ratio of lapsed policies is shown. The amount of new business booked in 1930 was less than in 1929 in most instances, as was to be expected. The companies too have had some troubles with their investments. Those who invested heavily in bonds and stocks have found their securities depreciated in value although usually not enough to offset book gains in the earlier years of security inflation. Those who have invested largely in mortgages show no book depreciation in their investments since the face value of the mortgages remains the same but the wise companies have set up substantial reserves for possible losses on these mortgages and all of the companies have steeled themselves to difficult problems of interest and principal collection in the next year or so. The companies buying security investments have shown substantial book depreciation in their holdings, chiefly because the market values of their investments are known while the market value of mortgages is less tangible.

And yet despite the financial disturbances that have beset the world for nearly two years, the holder of a Canadian life insurance policy has something that has not shrunk in value. His future dividends may be affected by the great deflation but even these will so benefit from the recovery when it comes, and from the high yields obtainable now by companies in investing new funds that over a term of years the stability of life insurance will be again thoroughly demonstrated.

For those whose lives have been saddened by death in the last year or who have reached the mature age at which their endowment or annuity policies have become payable the full amount due has been paid over without any depreciation. Life insurance is proving its value in these difficult times. Its ability to stand world shocks is an amazing tribute to the vitality of its stabilizing force and to the sound management of Canadian companies.

LESSON OF THE "DOLE" SHOULD NOT BE LOST

GREAT BRITAIN'S unemployment fund is again so desperately low that further advances from the treasury will shortly have to be made. Unemployment has advanced by 1,000,000 in Britain in one year. Thus the "dole," masquerading as unemployment insurance, contains an object lesson in several phases of economic law. Whether or not the dole proves the social and economic inefficacy of unemployment insurance itself is a matter where opinions may reasonably differ since the dole has not been for several years true unemployment insurance but has become a political hash of insurance, relief, and bonusing of laziness.

Unemployment insurance started out in Britain as such, just after the war. Contributions by workers, industry and the state were compulsory and workers shared in relief, when unemployed, in the proportion of their previous contributions to the general fund. Such payments were definitely limited. But such a scheme of unemployment insurance never had a real chance. Within a year of its operation the unemployment fund was called upon to bear the burden of payments quite outside its actuarial limits. The truth of the matter is that successive governments have seen fit to maintain the unemployed of the nation at the expense of the general employed taxpayer but, not wishing to establish such a paternalistic, weakening policy as a precedent, they have disguised the payments as unemployment insurance and have supplemented the premiums paid into the fund by grants from the national treasury. This is not only unfair to the taxpayer and a crushing burden on industry and trade generally but it is a most serious breach of faith with the regular contributants to the fund. Week after week, the insured worker pays into a fund from which other people receive benefits for nothing. Some of those on the "dole" have paid for their benefit. Others have not. Such inequalities grow like mushrooms in the rich rot of unemployment insurance.

For us in Canada the primary lesson of Britain's experience with unemployment insurance is the danger that continuously must menace any such fund; the danger of uneconomic operation at the hands of politicians. In a smaller way we have seen our government annuities scheme prostituted by political management.

But even if Canada were able to prevent an ordinary piece of social legislation from developing into a monstrous barrier to economic advance, one may question if unemployment insurance has any place in Canada where there should be no lack of opportunity for any man. If we are well-governed and if individual enterprise is given opportunity for creative development, if our business and financial leaders measure up to their responsibilities, unemployment can never be serious in Canada, even in times of world depression. Those who are urging the unemployment insurance for Canada might better spend their time studying the causes of occasional unemployment.

A HIGHER RETURN FOR THE FARM

ONTARIO'S minister of agriculture promises to undertake a comprehensive survey of the marketing of the farm products of the province. Substantial improvement in methods is necessary. There is a lack of proper grading, lack of standardization, lack, in some cases, of well developed marketing facilities.

Examples of weaknesses in Ontario farm marketing that are costing the farmers millions of dollars annually could be quoted indefinitely but three will suffice:

One—The finest cheese produced in Belleville County cannot be bought in the food stores of Toronto although large quantities are sold annually in Britain, where it meets the keenest competition.

Two—The Ontario buyer of British Columbia or Oregon apples buys them with confidence knowing he is getting a high-grade product, well-packed. But the buyer of Ontario apples, even when they are stamped No. 1 is not certain that he is getting a good product, properly graded.

Three—Some large buyers prefer New Zealand butter to Ontario butter because they consider it a better product.

Success in farming comes from a simple formula difficult but nevertheless necessary of attainment. It is as follows: A good quality product; proper grading; proper packing; scientific merchandising.

In all of these fields the actual work must be done by the farmers assisted by brokers, railways, retailers, etc. But there is a real function for Governmental assistance. By practical education, through demonstrations and the farm press, the Government can help the farmers to improve their methods and their products. The grading system should be established by the Government and supervised by it in co-operation with the growers and middlemen; where export trade is involved the Dominion Government should co-operate. Proper packing and handling is largely a matter of education. Merchandising is partially a matter of education and partially a question of facilities. It is suggested that the spread between producer and consumer is often too great because of the existence of too many intermediaries. This is not always true. Efficient middlemen reduce the costs of distribution.

It is not neccesary for the Government to go into business nor even for the farmers to establish co-operative marketing in order to promote efficient marketing. The first thing to do is to find out what is wrong with the present system.

UNEMPLOYMENT RELIEF

IF A comprehensive survey of the expenditure of the unemployment relief fund of $20,000,000, voted by Parliament last September, were made, many stories of inefficient and inept distribution of money would come to light. There is one area, for instance, (not to be too specific) where the house committee of the local golf club advertised for a greenskeeper for two weeks without success but which shared in almost $100,000 of the relief fund. This money was used in aiding in the construction of public works. In another area, where part of the funds was used for direct relief the local committee handed out special milk tickets, redeemable by any dairy. There was little check on how the tickets were handed out and the dairymen got ample evidence of their maldistribution when they found the special relief tickets in the morning milk bottle of moderately well-to-do, employed people. Some instances are probably unavoidable in any government - operated scheme, lacking the resiliency of private enterprise. The public expected a considerable portion of the $20,000,000 to be spent where it was not really needed at the moment, or even to be wasted. Premier Bennett and Senator Robertson probably never expected to be able to administer the fund with anything like 100 per cent efficiency.

It is because so many examples of similar character to those quoted will come to life that the distribution of the fund is certain to run the gauntlet of criticism when Parliament meets. The net value of the effort will be difficult, finally, to appraise. Undoubtedly it stimulated a considerable volume of public works that would not otherwise have been proceeded with. To the extent that works that should really have been deferred were undertaken the ultimate results may not be good for economic conditions generally. And much of the work that might otherwise have been undertaken later this year was anticipated and construction work later will suffer, although there may still be need for it from the employment standpoint.

Generally speaking, there has been little criticism of the plan of creating employment and relieving distress by a federal fund. But in a growing country like Canada, such palliatives should never be needed.

EDITORIAL NOTES

The wheat pool guarantee so slightly entered into by the Saskatchewan Government stands today as a contingent liability of $12,400,000 for that province. The assets of the pool pledged as security are valued at under $18,000,000, but what they would bring under the hammer is problematical. Only courageous statesmanship can prevent serious loss to the taxpayers of the province in the working off of these guarantees.

* * *

The Government is warned by F. A. McGregor, registrar under the Combines Act, to keep a watchful eye on the miller-baker combines. There is no harm in this recommendation but that is not the keynote of the registrar's report on bread prices in Canada. His vital point is that competition, over which the miller-baker combines have no control, is all the protection the public requires. The report is an excellent summary of many succinct business truths.

* * *

Temporary certificates for the new Canadian National Railways bond issues bear notation to the effect that they were printed in the United States. It might be better advertising for Canada if all certificates of Dominion Government guaranteed issues were printed or engraved in Canada, since ample facilities for doing such work exist here. If the C. N. R. leaves it to its bankers to arange for these certificates it might instruct them — quality and cost being equal—to have them done in this country.

Calvin Coolidge Says:

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RECENT news from Europe is of an encouraging nature. After being suspended for several years the freedom of the press and other constitutional rights have now been restored in Spain and general parliamentary elections have been ordered. Instead of trial by battle and reform by revolution the peaceful methods of representative government are being adopted.

The well wishers of the German people also have seen their faith justified by the support which Chancellor Bruening is receiving in the Reichstag. It is silencing Germany's critics and strengthening the hands of her friends. Opposition is less in France to extending German credits and continuing a friendly policy. These developments increase the possibility of a naval agreement between France and Italy.

The people of the world have a reserve moral power which cannot be ignored in estimating the action they will take in emergencies. Before we conclude that the orderly processes of governments are to be entirely broken down, that the business of the world is prostrated beyond recovery, it is necessary to consider this recuperative power of the people themselves. This great constructive force has no known limits. Silently and almost imperceptibly it moves, forever on the side of right.

* * *

IT IS necessary to look beyond Abraham Lincoln's intellect, profound as that became, for the true source of his greatness. He was endowed above most mortals with conscience. A compelling sense of obligation held him. An all embracing intellectual honesty saved him from deceiving himself. From that source he derived the unsurpassed power to express his thought in clear and simple terms. In him also was a faith that moved mountains. He declared that right makes its own might and he dared to act accordingly.

* * *

THE only indication of a frontier of three thousand miles between the United States and Canada is the places where exports and imports are supervised. Yet we are two separate people with a strong and distinct national spirit.

In recent years many delegates have come from foreign countries to study our industrial development. It might be profitable for an international delegation to study the manner in which two great and competing countries in North America maintain friendly relations without any fortifications or any armed forces at their borders. If such a secret could be discovered and applied it would be the greatest blessing that could be secured by many foreign people.

* * *

BY A remarkable coincidence the Treasury representatives of two opposite polls of political thought, Ogden Mills in the United States and Philip Snowden in Great Britain, simultaneously reach the same conclusions concerning governmental finance. Both say that heavy expenditures will cause a deficit at the end of the fiscal year and that their respective governments cannot go on increasing appropriations without incurring disagreeable consequences in the way of increased taxes. Yet it seems almost impossible to prevent the general run of legislators from thinking that when finances are depressed we can relieve ourselves by taxing ourselves.

* * *

NO one would be rash enough to try to estimate the probabilities of future world trade. But it is easy to see from past development that it has possibilities that are very great. Only about one-fourth of the two billion people of the world have yet reached the standard of living that characterizes western civilization. Transportation and communication are sure to penetrate among those who are living on the lower scale. Both their wants and their power to satisfy them will be increased.

Japan illustrates what may happen. In 1870 her imports were worth less than seventeen million dollars. In fifty years they had risen to over a billion dollars. Yet the per capita imports of Canada are six times greater. The Philippine Islands' imports are about three times what they were fifteen years ago. If China were raised to the level of Japan her imports would be nearly eight billion dollars.

Yet probably among high living standard people most expansion can be expected. United States foreign trade is about four times what it was twenty-five years ago. The more it is examined the more nearly inexhaustible appears the opportunity for world production and exchange.

CALVIN COOLIDGE.

New Minister of Finance Of Pacific Coast Province Pioneered Okanagan Land

By CHARLES L. SHAW

When little Jim Jones ran a grocery store in Grenfell, Sask., more than a quarter of a century ago, people complained of the quality of the apples he sold.

"Well, what are you going to do about it?" said Mr. Jones. "They're the best I can get."

One of his customers wasn't convinced. He had been a rancher out in Washington state and he remembered the fertile Okanagan Valley that extended from Washington into British Columbia, where for some reason or another it became known as the Okanagan. They used to grow wonderful apples in the Okanagan; why couldn't they do the same in the northern part of the valley?

Making Desert Bloom

Mr. Jones didn't know the answer to that question then, but a year or so later he had the opportunity of finding it. He made a typical Jones investigation. He went to the Okanagan and found that they did grow luscious, mouth-watering apples there, and then he went north into the Okanagan and he found a barren stretch of sagebrush and sand. But this dry valley challenged Mr. Jones, just as a host of other baffling things have challenged him since. He visualized orchards in that dry valley, foresaw the possibilities of irrigation. So he quit the grocery business and tackled the job of making the desert blossom.

This decision was typical of the man who a few weeks ago became finance minister of British Columbia. There is nothing that intrigues the fancy of J. W. Jones more than a problem that to the average man would seem impossible. He likes to take a problem, preferably a financial one, and wrestle with it as a terrier will with a rag doll—tear it apart and get to its heart. And it is rather surprising sometimes what Mr. Jones can do once he has torn these financial rag dolls to bits. Usually he finds something quite useful—sufficient anyway for him to win the commendation of his colleagues for his tenacity and ingenuity.

Organizes Development

But to return to the so-called Dry Valley. Jones didn't give up the store business with his eyes closed. While the north end of the Okanagan was little more than a wilderness, with only a handful of settlers courageous enough to attempt a livelihood there, Jones realized that there was usually plenty of snow up in the overlooking hills. The valley, he decided, lent itself very well to irrigation, and so Jones went ahead and organized an irrigation and development company, built dams and reservoirs, cement lined ditches and laid miles and miles of 32-inch steel pipes. Then he followed this construction programme with a selling campaign and a few years later the valley was peopled with prosperous orchardists. The valley had once been barren. Twenty-eight trainloads of fruit rolled out this year.

First Becomes Mayor

Jones' picture had come true. He had proved the theory that the north end of the Okanagan was fertile when given a chance, and he had also made fine apples available to the Saskatchewan market. But by that time he was no longer interested in the store business. He was satisfied to supply the apples and let someone else sell them.

The people of the Okanagan thought well of Jones. In 1912 they elected him mayor of Kelowna and retained him in that office five years. When the provincial election was held in 1916 Jones ran as a Conservative for South Okanagan. That was the year of the Conservative débâcle. Tories were swept out of office all over the province, but "Dry Valley" Jones was returned, and during the long, lean Conservative years that followed Jones kept his seat in the legislature, becoming one of the most outspoken and ablest critics of the Liberal administration. He applied himself to the study of public finances and after a while, when financial issues came before the house, the Conservative party leader used to say to his caucus: "This is Jones' meat. Let him handle it." And Jones did handle it, tossing about columns of figures and solving mental problems in arithmetic with such astonishing speed and persistence that members of both parties usually submitted to his reasoning without question. No one could compare with him as the ready reckoner of the house.

Takes His Logical Place

Now Jones is in the place where his mathematical genius will count for the most. In the various "shadow cabinets" mentioned before, Premier S. F. Tolmie took office Mr. Jones was almost invariably slated as finance minister. When he was given the speakership instead considerable surprise was voiced. But now, with Hon. W. C. Shelly retired to a less active rôle in government, Mr. Jones steps up to his logical place in the cabinet.

Mr. Jones brings to his new job a fund of optimism as well as experience. He is one of those who cannot help seeing the silver lining on Canada's economic clouds.

"You can hardly believe the high priests of depression," he said recently, "when you look at the real figures of Canada's financial progress. Look at the growth in our bond business. Ten years ago Canadian bond sales aggregated $400,000,000. In ten months of the present year the sales have already reached a total of $650,000,000. In 1907 the total was only $82,000,000. In the face of figures like that how can any fair-minded person be pessimistic about Canada?

"Out in British Columbia we are too apt to talk about a slump in industry," continued Mr. Jones. "Seven years ago the dividends from mining operations in this province totalled $3,000,000. Last year the total was $14,000,000.

Facts Warrant Optimism

"This is no time to play the 'Blues.' The tune is inappropriate when conditions are so sound. Tell a man he is feeling sick and he will immediately lose color and strength. Tell him he looks well and he will hold up his head and feel better. The same applies to business. If you are going to sing about business at all, sing on a cheery note. The facts warrant optimism."

New Books

"5,000 Facts About Canada"

When a book of the character of "5,000 Facts About Canada" reaches its 28th year no one can have any reasonable doubts that it is serving a useful purpose. This year's edition, running to 80 pages, carries on in traditional manner and presents the Dominion of Canada in a nut-shell. The editor, Frank Yeigh, knows Canada and has an excellent knack of selecting the most important figure out of a mass of data to illuminate a fact.

"5,000 Facts About Canada" is published by Canadian Facts Publishing Company, 588 Huron Street, Toronto, at 35 cents.

"Canadian Government Loans"

The 1931 edition of "Canadian Government Loans Production Statistics, Etc.," a booklet revised and published annually by the Dominion Securities Corp. is now available.

Designed as a ready reference medium for investors in Canadian bonds, the handbook presents concisely, yet comprehensively, all details concerning the various Dominion of Canada and Provincial loans, as well as the contingent liabilities of the Dominion and of the several Provincial Governments, covering such items as maturity, interest rates, amounts outstanding, and places of payment.

In addition, the major departments of Canadian industry are reviewed, together with salient facts and statistics on such subjects as national wealth, transportation, population area, water powers, trade, etc. The booklet is in convenient pocket size form, and should prove a valuable addition to the library of any Canadian investor.

"Corporate Directors"

In Canada the responsibilities and duties of corporation directors have also come in for review when some flagrant example of misdirection or lack of direction has come to light. The experience is not novel to us. Across the border, the duties and functions of directors are a matter of deep concern just now when such scandals as that involving the affairs of the defunct Bank of the United States bring to light serious ineptitude on the part of directors.

Various phases of American law relating to directors are thoroughly reviewed in "Corporate Directors," edited by H. H. Spellman, of the New York bar. The volume has only an oblique interest for us in Canada. It is published by Prentice-Hall Inc., New York, and sells at $10.

Other People's Views

Farmers of the West

Manitoba Free Press (Correspondence)—I believe we are going to have pretty tough times for the next two or three years, largely due to our own fault in trying to hold up the price of grain against the natural tendency towards reduction.

In the meantime, I have no patience with the prophets of depression and gloom, who think that the farmers in this country can't meet the problems which they come up against. I have seen a lot of farmers both in this and other districts, and while they have a lot of red-headed Bolsheviks among them, taking them as a whole, you cannot find any more courageous or intelligent body of men. I have seen them before tighten their belts and snap into it; and they can, and will, do it again.

"I want to see the boss."
"What do you want to see him about?"
"About a job."
"I'm sorry, but you can't see him; he's in an unemployment conference."

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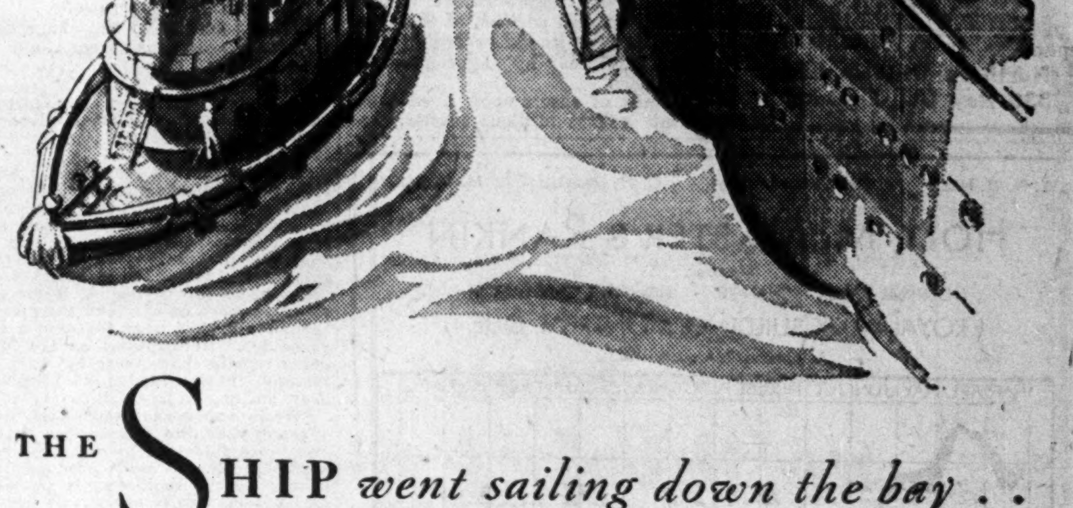

THE SHIP *went sailing down the bay . . with* OUR GUESTS ABOARD

They were a charming couple, mother and daughter, and this was *their* holiday. It was planned as a very adventurous holiday, too, for they were going to Europe and were decidedly excited about it.

But somehow or other, in spite of all their hours of breathless talking about the ship and the days at sea, they completely misunderstood the hour of sailing.

So there was despair in their room when calling for a porter at noon they said, "Our bags are ready to go to the *Argonaut*," and the head porter answered, "Ready? Why, Madam! *That ship is sailing now!*

"But wait!" he continued, when he heard their exclamations of dismay, "I'll call the manager. Perhaps there is something *he* can do."

Now the manager knew that steamship companies usually cannot take passengers aboard in midstream. He knew also that our people always try to impress the correct sailing hour on the minds of our guests. Yet he *wanted* to help. So he called the officials at the pier and asked for a tug.

And his request was so urgent that the officials relaxed their rules and sent the happy word, "Send them down." So one of our young men was called to rush the adventurers to the dock. There he helped them down to the deck of the little boat and waved them "Bon Voyage" as it raced away.

It caught their ship down the bay and put them aboard, and our young man came back to Hotel Pennsylvania. And that is all there is to the story, except that they told us they were grateful.

And we told them, and meant it, that we were very happy to have been able to save their adventure. Service is our business. The giving of it is our creed. When the first Statler house was opened, it was written in our commandments, "The guest must be served."

And we fancy you will agree that these guests were well served, and that the organization which led the way in the development of the *modern hotel*, which first provided a private bath, running ice water, morning paper and radio in every room, which built the present standard of hotel service, deserves its thousands of loyal friends.

HOTELS STATLER
BOSTON · BUFFALO · CLEVELAND · DETROIT · ST. LOUIS
in NEW YORK, *Hotel Pennsylvania*

Business Conditions in Canada

'30 REGISTRATIONS EXCEED 1,200,000 FOR FIRST TIME

Motor Car Population Gains 45,793 Despite Slump

SALES ALSO SHOWN

Eastern Canada Figures Show Many Changes in Rank of Ten Leading Makers

Automobile registrations in Canada gained 3.86 per cent to 1,232,273 in 1930, according to figures prepared by Canadian Automotive Trade this week. All provinces show an increase except Saskatchewan. Registrations in 1929 were 1,186,480 so the gain of 45,793, although the smallest unit increase since 1916, nevertheless puts registrations over the 1,200,000 mark for the first time.

The following figures show the gain by provinces and the ten-year record of registrations:

Registration By Provinces

	1930	1929	Change in 1930	% Change 1930
P.E.I.	7,376	6,055	+ 1,321	+21.81
N. B.	34,689	31,610	+ 3,079	+ 9.74
N. S.	42,886	39,876	+ 3,010	+ 7.55
Que.	178,548	169,105	+ 9,443	+ 5.58
Ont.	562,658	540,205	+22,453	+ 4.16
Man.	78,850	77,239	+ 1,611	+ 2.09
Sask.	127,186	128,099	— 913	— 0.71
Alta.	101,142	98,720	+ 2,422	+ 2.45
B. C.	98,938	95,571	+ 3,367	+ 3.52
	1,232,273	1,186,480	+45,793	+ 3.86

10-Year Registration Record

Year	Total registration motor vehicles	Increase over prev. year	% Gain
1921	463,848	48,580	11.7
1922	514,657	50,809	10.9
1923	585,079	70,422	13.6
1924	650,231	65,152	11.1
1925	728,005	77,774	11.2
1926	819,138	91,133	12.6
1927	939,024	119,886	14.6
1928	1,070,908	131,884	14.04
1929	1,186,480	115,572	10.79
1930	1,232,273	45,793	3.86

The 1930 sales record is also interesting although complete figures are only available for Eastern Canada. Total sales in Eastern Canada are down 31 per cent, the 1930 figures being 91,809 as compared with 133,713 a year ago. Figures for Western Canada are compiled by Wiggins Systems, Winnipeg, but are only available for the first 11 months of 1930, and show sales of 29,834 cars to which should be added approximately 500 to 700 cars sold in Saskatchewan in 1930 but not indicated by the registration figures. Of the 29,834 car sales, in the West, 13,630 or 45.7 per cent were made in cities, the remainder in rural districts.

Sales by provinces for Eastern Canada are as follows:

Car Sales in Eastern Canada

	Passenger Cars 1930	Passenger Cars 1929	Total 1930	Total 1929
P.E.I.	962	680	1,082	748
N.B.	4,551	5,659	5,360	6,700
N.S.	4,743	7,177	5,742	8,541
Que.	19,103	27,102	23,314	32,883
Ont.	48,324	74,424	56,311	84,841
Totals	77,683	115,042	91,809	133,718

Another interesting comparison is the standing of the various companies on the basis of Eastern Canada passenger car sales. With the exception of Ford, Chevrolet and Pontiac which have retained first, second and fourth places respectively, all the other makers who rank among the first ten, show a shuffle as compared to a year ago.

The following table shows the standing of the first ten leaders in 1930 and their relative sales of passenger cars the year previous.

Ranking of Car Manufacturers
(On basis of East Canada Passenger Car Sales)

Rank 1930	Rank 1929		1930	1929
1	1	Ford	24,840	25,614
2	2	Chevrolet	13,690	19,818
3	5	Durant	4,421	7,835
4	4	Pontiac	4,063	7,972
5	8	Plymouth	3,930	4,267
6	7	McL.-Buick	3,433	4,851
7	3	Essex	3,204	8,892
8	10	Chrysler	2,846	3,510
9	..	Graham-Paige	1,731	.....
10	9	Nash	1,671	3,761

In the commercial car field, Ford again led the parade with 5,566 units, Chevrolet again being second with 3,732. Third place went to G. M. C., as it did last year, with 809; Dodge was again fourth with 585; International jumped to fifth place from seventh the previous year, making 527 sales to accomplish this; Rugby again placed sixth with 507; and seventh went to Reo with 503, it having occupied fifth place a year ago.

Gain Is Gradual; Chiefly Seasonal

	Canada	United States
Commodity Prices:	Observance of Lent expected to strengthen egg market.	Weakness in food and building products drops wholesale prices .5 to 111.8 in week.
Iron and Steel:	Schedules being increased due to recent railway orders.	Mills at 51 p.c. capacity against 80 p.c. in 1930. Improvement very gradual.
Foreign Trade:	January imports down 40.5 p.c., exports 39 p.c., from January, 1930, totals.	Imports down 30.4 p.c.; exports, 26.7 p.c. in 1930 from 1929 figures.
Car Loadings:	Down 18.3 p.c. from year ago. Little change shown in past four weeks.	Decrease of 19.9 p.c. from same week in 1930; 24 p.c. below 1929.
Employment:	Business expansion slow; slight improvement is shown in employment.	Improvement shown is moderate but steady; industrial output gains.
Stock Markets:	Moderately stronger due largely to influence of New York.	Many stocks attain 1931 high under leadership of specialties.
Credit:	Retail trade stimulated by special sales; inventories are at low point.	Commercial loans at $8,365,000,000 show decrease from previous weeks.
Week's Highlight:	Beatty plan; bread combine report; typical examples of sound leadership in Canadian business.	War veterans' loan bill, passed by Congress, entails huge loans on soldiers' insurance policies. Now comes before Senate.

1930 CAR FINANCING TOTALLED $62,793,956

Volume Was 28.7 P.C. Below That of 1929; New Cars Had Sharp Drop

With the issuance of December figures on automobile financing in Canada the record for 1930 is complete. Compared with 1929, the number of new and used cars financed decreased 22 per cent to 127,895 cars in 1930 as compared with 163,929 cars in 1929. The amount of financing dropped 28.7 per cent from $88,044,427 to $62,793,956.

The major part of the 1930 decrease was in new cars of which 47,795 were financed to the extent of $28,503,217 as compared with 1929 figures of 71,468 cars and $48,016,871. This represents a decrease in number of 33.2 per cent and a decrease in dollar volume of 40.7 per cent. The average financing per new car in 1929 was $672 and in 1930 but $597.

There were 80.100 used cars financed or 13.4 per cent less than in 1929, while financing dropped 14.3 per cent to $34,290,739. The average financing per used car in 1929 was $436 and in 1930, $428.

Canada Best Customer Of United States in 1930

Canada retained the lead in trade with the United States for 1930, though exports sent from U. S. A. to Great Britain somewhat exceeded Canadian purchases, it was shown in a department of commerce made public recently.

Exports to the Dominion amounted to $659,326,000, against $948,446,000 in 1929, and imports from Canada for the same period were $402,306,000, against $503,496,000.

The 1930 exports to Great Britain were $678,108,000, against $848,000,000 the preceding year, and imports were $209,893,000, against $329,751,000.

The report showed last year's declines in foreign trade have been largest in the commerce with Europe.

Leather Footwear produced in Canada during December totalled 1,064,192 pairs as compared with 1,124,798 pairs in November, 1930, and 1,317,756 pairs in December, 1929. Production was lowest of any month in 1930. Total production in 1930 was in excess of 17,087,382 pairs as against 20,459,737 pairs in 1929.

Wheat Stocks held on February 6 amounted to 200,512,299 bus., a decrease of 3,412,047 bus. from the week previous and comparing with 218,376,760 bus. held in the corresponding week of 1930.

Business Decline Wavers Says Preliminary Index

January Indices Show Decline Much Less Precipitous Than in Previous Months

By SYDNEY B. SMITH

The Financial Post preliminary index of general business in Canada showed slight recession in January compared with the preceding month. Gold production reached a high point and copper was exported in greater volume than in December. Operations in the iron and steel industry were well maintained, while automobile production remained at a depressed level. The grain in carloadings after seasonal adjustment was a bright feature in the statistical returns of the month. The index is based on eighteen factors expressed as a percentage of the monthly average from 1919 to 1924.

An outstanding feature of the month was the gain in the output of gold. Statistics of receipts at the Royal Mint and exports from Canadian mines indicate the marked expansion in the industry in the current period. Shipments in January were greater than at any time in the period of observation from 1919 to the present. Exports of copper were at a moderate level and in somewhat greater volume than in December. Exports of nickel were not as large as in the preceding month.

Sugar Industry Active

Production of the sugar refining industry continued in good volume. Present developments indicate better prospects for a group which has passed through a difficult period. The output of newsprint at 184,339 tons was slightly less than in December and adjustment for seasonal tendencies makes the comparison even less favorable.

Conditions in the primary iron and steel industry were not greatly altered, the output of iron showing a decline while steel ingots and castings were made in larger volume. The automobile industry remained in the depressed state apparent during the last quarter of 1930.

Carloadings Active

The gain in carloadings during January after seasonal adjustment was a matter to inspire optimism regarding the current trend. In interpreting the statistics it should be kept in mind that the freight movement in January is normally much below December. While loadings in January were 203,956 cars compared with 204,927 in December, the gain after adjustment for seasonal tendencies was 11.5 p.c.

The net result was that the preliminary index was 125.4 in January compared with 126.3 in the preceding month. As the recession was less than 1 p.c. it appears that the severe decline in evidence from June to December, 1930, has been almost halted.

The Financial Post index is based on eighteen factors and the results over a term of years have corresponded closely with the trend of the more comprehensive index which only becomes available toward the end of the month. The regular business index which month by month has for several years been published exclusively in the Financial Post is constructed from the same factors as used in the preliminary index as well as eight or nine other factors of importance.

OCEAN TRAFFIC OFF 18 P.C. IN '30 SAYS R. W. REFORD

Shipping Head Reviews Activities of Past Year

A loss in ocean passenger traffic of 18 per cent during 1930 was indicated by Robert W. Reford, president of the shipping company which bears his name, in presenting his annual report as president of the Shipping Federation of Canada last week. Mr. Reford has occupied the presidency of the federation since 1920 and is retiring this year in favor of J. W. Nicholl, manager of Furness, Withy & Co., and Canadian director of the Cairn line.

The aggravated freight situation was referred to at considerable length by Mr. Reford, who commented on the conditions which have disturbed shipping activities in Canada during the past two years. Particular mention was made of the renewal of cattle shipments after a break of several years, and also to the important part that coal importations played in the 1930 business. Expansion of port facilities at Three Rivers, Sorel, and Maritime ports was noted and the government was strongly urged to proceed without delay in its programme for the development of a 35-foot channel in the North Channel below Quebec and to expedite as rapidly as possible the work now being done on the main ship channel between Montreal and Quebec. Mr. Reford's remarks are in part as follows:

"The greatest loss suffered by the steamship companies was in the decreased number of passengers carried to and from Canada across the Atlantic. With a slight lesser number of sailings than in 1929 there were 49,000 fewer passengers carried in 1930, but as the falling off in migration from Europe to Canada represented a total of 54,000, these figures indicate that other classes of travel were slightly better than in the previous year. The loss in passenger traffic was approximately 18 per cent, which means a shrinkage in revenue of at least $3,500,000.

Package Freight Declines

"Package freight, with few exceptions, showed a decided decline from the previous year, and when it is recalled that 1929 was a year of poor cargoes and low rates, it will be appreciated that 1930 furnished few bright spots from a freight standpoint.

"Due mainly to a further falling off in grain exports, the port of Montreal showed a decrease in ocean tonnage as compared with the preceding year. The records of the port warden for 1930 showed that 1,175 ocean and coasting vessels, with a net registered tonnage of 4,413,580 tons, reported at the port warden's office, a decline from the figures of 1929, when similar tonnage totalled 4,611,259. In addition to the tonnage above mentioned, the records of the Harbor Commissioners show that 4,390 inland vessels, with a net registered tonnage of 12,857,160 tons entered the port during 1930, a decrease of 307,869 tons from the previous year, caused by the reduced quantity of grain carried.

Cattle Exports Return

"A gratifying feature of the port's activities was the renewal of cattle exports. Towards the close of the season shipments of cattle commenced to the United Kingdom with the result that when the season had concluded a total of 5,275 cattle had been exported. It is hoped that this trade will continue to develop and that before long cattle export figures will again assume substantial proportions.

"The total grain delivered from the Montreal harbor commissioners' elevators in 1930 amounted to 81,638,837 bushels as against 90,694,208 bushels in 1929. The elevator facilities of the port, while at times taxed to their utmost owing to the slow movement to overseas countries, were not utilized to anything like their normal transfer capacity. Out of the total deliveries from the harbor commissioners' elevators, the amount of grain shipped overseas, according to the records of the port warden, was 69,083,800 bushels, as compared with 80,435,979 bushels in 1929, and 202,575,931 bushels in 1928. It is interesting to note that in 1930, the percentage of export grain carried by regular liners was 34 per cent, and by transient or tramp vessels, 66 per cent.

Coal Imports Important

"Importation of coal from overseas formed an important part of the activities of the port during 1930, constituting a new high record so far as this commodity is concerned. Imports consisted of 740,803 tons of British anthracite, 200,651 tons of Russian anthracite, 12,857 tons of German anthracite, and 45,115 tons of British bituminous coal. In addition, coal carryings from Nova Scotia were well maintained, the total quantity discharged in the harbor amounting to 1,406,788 tons."

RUBBER INDUSTRY FINDS SALES DROP 21 PER CENT IN '30

Tire Sales Suffer Least Due to Replacement Demand

EXPORTS DROP 27 P.C.

Exhaustive Report on Industry Prepared by Secretary of Rubber Association

Sales of all companies in the Rubber Association of Canada declined 21.4 per cent in 1930 from the previous year according to figures prepared by A. B. Hannay, secretary and manager of the association for the annual meeting held last week. Domestic sales of mechanical goods declined 15.7 per cent; sales of rubber footwear were off 19.2 per cent; tire sales fell off 18.8 per cent. The export business for all types of rubber goods fell off 27.3 per cent while export sales of tires declined 29.7 per cent. Another interesting index of the trend of this industry during the year is shown in the trend of rubber imported for consumption which shows a decline in poundage of 18.7 per cent.

C. A. Jones, vice-president and general manager of Seiberling Rubber Co. of Canada was elected president of the association for 1931.

Total production of tire casings in 1930 was 3,348,564 as compared to 4,490,906 the previous year, the report shows. This production is midway between the output in 1926 and 1927. Production for automobile equipment was considerably lower than the 1925 level at 706,000 casings, while other domestic sales were maintained at a much better level. The following tables show clearly the position of the tire business in 1930 as compared with the previous nine years:

10-YEAR ANALYSIS PNEUMATIC CASINGS

	Production	Exports	Total Shipments
1921	882,962	117,425	1,021,701
1922	1,560,155	360,095	1,552,109
1923	1,961,864	458,315	1,909,129
1924	2,066,856	548,882	2,103,786
1925	3,183,595	1,054,100	2,995,437
1926	3,072,656	1,256,747	3,071,214
1927	3,986,324	1,677,845	3,756,273
1928	4,313,360	1,659,156	4,252,301
1929	4,490,906	1,716,403	4,404,719
1930	**3,348,564**	**1,363,269**	**3,500,464**

SALES RECORD

	Equipment	Other Sales	Total Domestic
1921	243,762	660,514	904,276
1922	438,081	753,933	1,192,014
1923	620,937	829,877	1,450,814
1924	556,544	998,360	1,554,904
1925	759,433	1,181,904	1,941,337
1926	719,075	1,095,392	1,814,467
1927	735,233	1,343,195	2,078,428
1928	1,066,849	1,526,296	2,593,145
1929	1,152,338	1,535,978	2,688,316
1930	**706,099**	**1,431,096**	**2,137,195**

Low buying power combined with good roads and better tires accounts for a decline of 25 per cent in the production and sale of tires during 1930 says the report. It is estimated that in the United States renewal sales of tires in 1917 averaged about seven and a quarter tires per car per year, while in 1929 the average renewal per car was below one and three-quarters tires. Good tires and good roads have similarly cut down the per car tire consumption of Canada. On the other hand good roads and cheaper cars have compensated by providing more wheels for the tire manufacturer to equip.

Canadian Companies Better Off

Comparing the Canadian industry with other countries, Mr. Hannay finds our rubber manufacturing concerns on a firm basis and in much better shape after the end of a difficult year than similar concerns in other countries. In this connection he says:

"Contrasted with rubber industries elsewhere, that of Canada makes a not unfavorable showing. Bankruptcies, the defaulting of bond interest, the passing of dividends and the closing of plants have marked the rubber industry of more than one country. In Canada the solvency of all companies appears to have been well maintained throughout the recent stringent times. Not only were there no failures during 1930, but two modestly substantial new rubber manufacturing enterprises were inaugurated, one for the production of heels and soles and the other for the manufacturing of rubber flooring. Beyond this, there was substantial expansion of several existing plants.

Chides U. S. Industry

"While there has been keen competition for business between Canadian rubber manufacturers, there has been no such savage and irrational warfare as that which pompted the president of the American Association to state in his last annual address that in the rubber industry of the United States in 1930 there had not been a single constructive, intelligent effort to change the foundation of that industry which was facing 1931 with 65 per cent of its output sold at about cost or below cost, and wondering how dividends are to be paid on the billion dollars invested in that industry.

"In Canada several sound constructive measures were taken last year for the production of economies. Among these were the reduction and simplification of lines of tires, of footwear, of belting, hose and drug-sundries for the purpose of reducing inventories and the expense of producing, stocking and merchandising goods. Direct efforts were made to simplify selling methods, reduce the number of branch distributing points and generally to reduce selling costs. The Canadian rubber manufacturer has recognized the fact that at home and abroad his competition is growing more formidable and must be met by sound economies in producing and selling.

Tariff Representations

"Representations were made to the Government concerning tariff changes which were considered desirable in the interest of the industry and the country generally. In making its tariff application your Association was able to point out that the Canadian consumer of rubber goods enjoys prices and quality of products favorably comparable with those prevailing elsewhere in the world. All general managers signed an undertaking that where duty rates were raised increases in prices to consumers would not result. The practice of the Canadian rubber manufacturer has been to price his goods fairly and from a basis of the production and distribution costs and it was agreed that this practice will be adhered to for the future, and changes in prices, either upward or downward, will be made only when they may be compelled or induced by changes in costs of material or labor, or production costs generally.

"During the past five years there have been thirty general changes in tire prices and all except one has been downward; the single advance was to car manufacturers in 1926 at a time of high priced crude rubber and this small advance remained effective for only thirty days. The record for rubber footwear and other rubber articles is equally striking, as in the last ten years there have been five increases against eleven decreases of rubber footwear prices and today's prices are 30 per cent below those of ten years ago. Today the prices in Canada of all rubber goods are lower than at any time in history."

Canadian Business Indicators

Compiled Weekly by The Financial Post

	Weekly Latest 1930	Weekly Latest 1929	Cumulative Jan. 1. to date 1930	Cumulative Jan. 1. to date 1929
C. P. R. Gross earn. (Feb. 7, '31)	$ 2,662,000	$ 3,091,000	$ 14,080,000	$ 16,109,000
C. N. R. Gross earn. (Feb. 7, '31)	$ 3,236,890	$ 4,065,825	$ 16,993,765	$ 21,486,997
Car Loadings (Jan. 31, '31)	46,604	59,075	221,647	269,786
Common Stock Index (Feb. 12, '31)	109.9	162.4	......	......
Production—	Monthly			
Pig Iron, tons (December)	38,293	82,632	747,448	1,080,160
Steel, tons (December)	56,101	82,415	1,011,743	1,378,024
Newsprint, tons (Jan., '31)	184,339	206,305	....	....
Automobiles (December)	5,622	4,825	154,192	262,625
Boots and Shoes, pr. (Dec.)	1,064,192	1,317,756	17,087,382	19,547,832
Flour, bbls. (November)	1,170,025	1,073,908	16,594,345	18,554,059
Mineral Production—				
Gold, oz. (November)	197,186	150,418	1,877,515	1,758,657
Silver, oz. (November)	2,361,778	1,519,883	24,233,060	20,988,082
Nickel, tons (November)	3,545	7,545	49,187	49,720
Copper, tons (November)	10,868	12,060	140,603	111,350
Lead, tons (November)	11,707	12,072	150,236	147,103
Zinc, tons (November)	11,916	7,225	122,128	89,282
Coal, tons (November)	1,315,420	1,534,190	13,496,982	16,011,519
Natural gas, M. cu. ft. (Nov.)	2,841,803	2,722,461	25,483,805	24,638,430
Petroleum, bbls. (November)	160,726	114,337	1,370,827	1,019,328
Automobile Financing—				
Used Cars (October)	$ 2,475,741	$ 2,971,643	$ 29,666,142	$ 35,723,222
New Cars (October)	$ 1,266,065	$ 3,869,531	$ 27,054,381	$ 44,267,656
Construction—				
Building Permits (December)	$ 15,439,964	$ 14,688,682	$ 163,789,670	$ 234,944,549
Contracts (Jan., '31)	$ 20,299,100	$ 37,529,900	....	....
Labor—				
Employment Index (Dec.)	108.5	119.1	......	......
Trade—				
Imports (January '31)	$ 50,413,895	$ 84,662,377	....	....
Exports (January '31)	$ 44,682,883	$ 73,507,327	....	....
Imports of Key Products—				
Rubber, lbs. (December)	3,016,000	4,735,000	59,990,866	79,472,786
Cotton, lbs. (December)	12,343,000	13,029,000	100,483,000	196,838,967
Sugar, lbs. (December)	42,954,700	45,025,900	812,654,100	837,362,906
Petroleum, crude, gal. (Dec.)	69,387,926	67,060,193	529,477,372	1,062,649,576
Coal, tons (December)	1,223,032	1,484,436	17,619,974	18,190,055
Exports of Key Products—				
Newsprint, cwt. (October)	3,896,395	4,024,998	34,631,795	45,933,076
Automobiles, No. (December)	3,708	4,910	45,361	102,382
Wheat, bush. (January '31)	9,608,852	4,994,054	....	....
Wheat, flour, bbls. (Jan. '31)	392,256	502,888	....	....
Electric Power—Output—				
M. Kilowatt hours (December)	1,541,918	1,535,332	17,720,583	17,626,228
Population—				
Emigration (November)	1,476	6,089	40,365	65,332
Immigration (July)	8,383	16,465	80,178	117,824
Finance—				
Failures, No. (Nov.)	222	164	2,163	1,930
Failures, Liabilities (Nov.)	$ 3,296,000	2,774,707	43,861,515	35,166,130
Bank Debits (December)	$3,012,000,000	$3,805,000,000	$37,491,301,766	$46,670,481,838
Bond Sales (Jan. '31)	$ 103,167,603	$ 44,146,499	....	....
Insurance Sales (Dec.)	$ 49,874,000	$ 55,350,000	$ 568,056,000	$ 614,727,000
Wholesale Prices (1913=100)—				
General Index (Jan. '31)	76.7	95.4	......	......
Iron and its products	88.7	93.0	......	......
Cottons, raw	[illegible]	[illegible]	......	......
Grains	57.9	90.5	......	......
Live stock	91.2	124.0	......	......

Investment Opportunities

Attractive yields are currently offered by investments carrying fixed interest and dividend rates. By placing funds in selected Bonds and Preferred Shares at present prices, satisfactory income returns can be assured for extended periods. The exchange of short-term securities for those of longer maturity merits consideration.

We shall be pleased to submit our recommendations.

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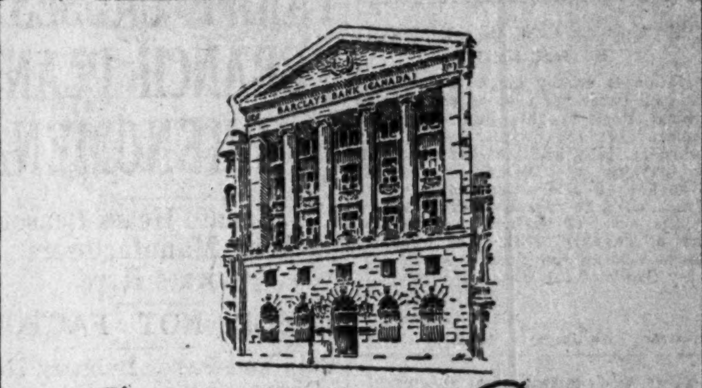

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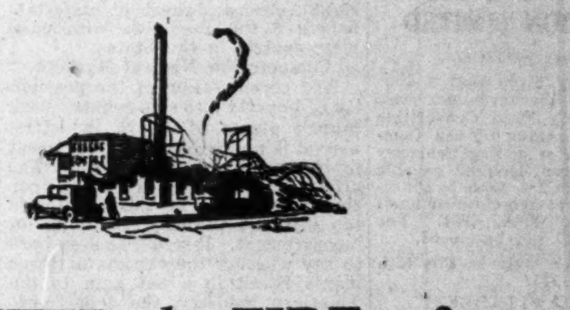

AFTER the FIRE—?

THE only evidence of your property values is a charred mass of ruins.

The equity of your settlement depends upon your ability to prove the identity and the value of the property destroyed. Assertion and unsupported estimate will not withstand the acid test of adjustment.

In a Canadian Appraisal, you have a catalogue of values so established as to command acceptance solely on the strength of their provability.

CANADIAN APPRAISAL COMPANY LIMITED
MONTREAL TORONTO WINNIPEG

To the Holders of 5% Gold Debentures, Series A, due September 1, 1953, and 6% Cumulative Preferred Stock of
Rochester Central Power Corporation:

Associated Gas and Electric Company, by letters dated January 16, 1931 (copies of which will be furnished upon request), has offered to holders of the above mentioned debentures and preferred stock the opportunity, subject to certain conditions stated in such letters, of exchanging their holdings of such debentures, on a par for par basis, for Convertible 5% Gold Debentures, due 1950, of Associated Gas and Electric Company and their holdings of such preferred stock, on a share for share basis, for $6 Dividend Series Preferred Stock of Associated Gas and Electric Company. Interest on the debentures and dividends on the preferred stock will be adjusted so as to be continuous and not overlapping.

Manufacturers Trust Company, W. C. Langley & Co. and Bonbright & Company, Incorporated, the bankers who originally offered such securities of Rochester Central Power Corporation, have advised us, as shown by the letter printed below (in reply to letters from the undersigned dated January 15, 1931), that they approve of these offers and will recommend to their customers the exchanges thereunder.

Holders desiring to accept these offers must deposit their debentures or their preferred stock with The Chase National Bank of the City of New York, 11 Broad Street, New York City, Depositary. Interest coupons maturing March 1, 1931, on debentures should be detached prior to deposit and retained for presentation in the usual course when due.

The offers will expire at the close of business on April 16, 1931, unless extended by the undersigned for a period or periods not exceeding sixty days thereafter.

Very truly yours,
ASSOCIATED GAS AND ELECTRIC COMPANY,
By H. C. HOPSON, Vice-President and Treasurer.

ASSOCIATED GAS AND ELECTRIC COMPANY,
61 Broadway, New York City.
January 15, 1931.

Gentlemen:

We acknowledge receipt of your letters of January 15, 1931, notifying us that you propose to offer to the holders of 5% Gold Debentures, Series A, due September 1, 1953, and 6% Cumulative Preferred Stock of Rochester Central Power Corporation the privilege of exchanging their holdings in such Debentures and Preferred Stock, respectively, for your Convertible 5% Gold Debentures, due 1950, on a par for par basis, and for your $6 Dividend Series Preferred Stock on a share for share basis, respectively, upon the terms, subject to the conditions and based on the facts stated in your letters and accompanying documents.

As Bankers who participated in the original offering of the Debentures and the Preferred Stock of Rochester Central Power Corporation, we have given the question of the advisability of these exchanges careful consideration, and this is to inform you that we approve the proposed offers and will recommend to our customers the exchange of their holdings of Debentures and Preferred Stock of Rochester Central Power Corporation under said offers.

Very truly yours,
MANUFACTURERS TRUST COMPANY,
By DARRAGH A. PARK, Vice-President
W. C. LANGLEY & CO.
BONBRIGHT & COMPANY, INCORPORATED,
By PEARSON WINSLOW, Vice-President

Associated Gas and Electric Company
61 Broadway New York City

DIVIDEND NOTICES

THE CANADIAN BANK OF COMMERCE

Dividend No. 176

Notice is hereby given that a dividend of Three per cent upon the paid-up capital stock of this Bank has been declared for the quarter ending 28th February, 1931, and that the same will be payable at the Bank and its Branches on and after Monday, 2nd March next, to shareholders of record at the close of business on the 31st day of January, 1931. The Transfer Books will not be closed.

By Order of the Board.

S. H. LOGAN, General Manager.

Toronto, 16th January, 1931.

THE SHAWINIGAN WATER AND POWER COMPANY

NOTICE is hereby given that a dividend of Sixty-three cents (.63c) per share has been declared on the no par value common shares of the Company for the quarter ending March 31st, payable April 10th, to shareholders of record March 16th, 1931.

By order of the Board.

JAMES WILSON, Secretary.

Montreal, Feb. 11, 1931.

Howard Smith Paper Mills Limited

Incorporated 1928

PREFERRED STOCK DIVIDEND NOTICE

Notice is hereby given that a Dividend of one and one-half per cent on the six per cent Preferred Stock of the Howard Smith Paper Mills, Limited, incorporated 1928, has been declared for the period ending February 28th, 1931, payable on March 2nd, 1931, to SHAREHOLDERS of record at the close of business on the 20th day of February, 1931.

By Order of the Board.

KENNETH G. PENDOCK, Secretary-Treasurer.

Montreal, February 6th, 1931.

Canada Cement Company Limited

PREFERENCE SHAREHOLDERS
DIVIDEND No. 13

Notice is hereby given that a dividend of 1⅝% for the three months ending February 28th, 1931, being at the rate of 6½% per annum on the paid-up Preference Stock of this Company, has been declared, and that the same will be paid on the 31st day of March next to Preference Shareholders of record at the close of business February 28th, 1931.

H. L. DOBLE, Secretary.

Montreal, February 17th, 1931.

CANADA PAVING & SUPPLY CORPORATION LIMITED

DIVIDEND NOTICE

Notice is hereby given that a dividend of 1¾% on the seven per cent. Cumulative Sinking Fund Convertible First Preference shares of the Company for the quarter ending February 28th, 1931, has been declared payable on and after March 1st, 1931, to shareholders of record at the close of business on February 20th, 1931. The transfer books will not be closed.

Dated at Windsor, Ontario, this 13th day of February, 1931.

ISAAC W. LAMBERT, Secretary.

CANADA IRON FOUNDRIES LIMITED

Dividend Notice

Notice is hereby given that a Dividend of 3% on the Preferred and 1½% on the Common Shares of this Company has been declared for the half year ended December 31st, 1930, payable March 16th, 1931, to Holders of record February 28th, 1931.

By order of the Board.

B. V. ATKINSON, Secretary-Treasurer.

Dated at Montreal, February 12th, 1931.

The Bank of Nova Scotia

DIVIDEND No. 245

Notice is hereby given that a Dividend of four per cent. on the paid-up Capital Stock of this Bank has been declared for the current quarter to shareholders of record of March 16th, and that the same will be payable on and after Wednesday, the first day of April next, at any of the offices of the Bank in Canada.

By order of the Board.

J. A. McLEOD, General Manager.

Halifax, N.S., February 17th, 1931.

Mexico Tramways Company

General Consolidated First Mortgage 50-Year 5% Gold Bonds

NOTICE IS HEREBY GIVEN that on and after 1st March, 1931, Coupon No. 36, dated 1st September, 1924, detached from the above Bonds, will be paid at the Bank of Montreal, Toronto, Montreal or London, England, or at the Agency of the Bank of Montreal, New York, at the holder's option.

DATED at Toronto this 16th day of February, 1931.

MEXICO TRAMWAYS COMPANY,
R. H. MERRY, Secretary.

P.T. LEGARÉ CO. LIMITED

Dividend No. 14

The regular 1¾% quarterly dividend on the 7% Preferred Stock of this Company has been declared for the quarter ending February 28th, 1931, payable on the 1st day of March, 1931, to shareholders of record at the close of business the 14th day of February, 1931.

By order of the Board.

P. C. FALARDEAU, Secretary-Treasurer.

Quebec, February 14th, 1931.

MODEL OILS LIMITED

Dividend Notice

Notice is hereby given that a Dividend of three cents per share for the quarter ending March 16th, 1931, has been declared on the issued Capital Stock of this Company and will be payable on and after the 16th day of March, 1931, to Shareholders of record at the close of business on the 5th day of March, 1931.

By Order of the Board.

T. W. McKEE, Secretary-Treasurer.

Dated at Calgary, Alberta, February 11, 1931.

Note: The books of this Company for the transfer of shares will be closed at 6 p.m. on March 5th, 1931, and will be re-opened at 9 A.M., March 16th, 1931, at the registered office of the Company, 7, Cameron Block, Calgary, Alberta.

TARIFF CAUSES BRANCH PLANT PHENOMENA

U.S. Senate Hears Reasons Why Manufacturers Locate Here

LABOR NOT FACTOR

Pulp and Paper Industry Not Discussed Since It Exploits National Resources

From Our Own Correspondent

WASHINGTON.—Canada's tariff policy is the factor most influential in causing American manufacturing concerns to establish branch plants in that Dominion, according to a study by the U.S. Department of Commerce.

This conclusion was also recently suggested by the department in its study of direct American investments abroad. Latter study was undertaken in connection with the branch factory enquiry in a response to a Senate resolution introduced by Senator Walsh, a Democrat of Massachusetts.

While the U. S. tariff act of 1930 was under consideration an amendment was passed and later stricken out of the bill, effect of which would have been to prohibit imports from U. S. branch factories abroad. Taking an apprehensive glance at the expanding tide of this country's industry into foreign lands, Senators sought to learn whether this movement was not in some way robbing the American laborer of his job.

Newsprint Not Discussed

About this the department has very little to say. It rules out of consideration of a branch factory study the establishment of industrial plants to exploit natural resources, such as the banana industry of Central America and even the newsprint industry of Canada. The raw material position of the Canadian newsprint industry is said to be so superior to the American as to constitute in itself a reason for the development of the U. S. paper plant in the Dominion.

In excluding the newsprint plants the department counts 524 American manufacturing investments aggregating $540,593,000, in Canada. The largest proportion of these are subsidiaries, assembling plants, or Canadian-controlled, rather than outright American branch plants established in the Dominion with complete control in the States.

Compete For Neutral Markets

And consideration of the possibility of imports into this country from branch plants of U. S. industries abroad is omitted by the department in its report as unimportant. The effect of these branch plants upon the export trade of this country is too difficult to learn to admit of measurement. It would be even hard to say whether the exports of these plants result in a net gain to the American industry, the department believes. The subject of the amount of business which these plants may have taken from the parent factory is also considered vague. Probably the effect is to offer considerable competition with the parent plants in what the department terms as "neutral" countries.

Nevertheless "as regards the purchasing capacity of those (foreign) markets, it must not be forgotten that the industrial activity furnished by the American branch plants is a factor in itself in raising the general level of purchasing power in certain countries. This is particularly true in countries in the initial stages of industrial development and is most strikingly illustrated in the case of Canada," the department says.

Tariff Looms Largest

While the department hesitates to evaluate the various factors that have caused American industry to establish abroad it does say that the tariff of foreign countries is the most obvious if not the most important negative factor in the situation. In the majority of cases the tariff is the first obstacle an American exporter is likely to consider in connection with his trade expansion plans.

"It is safe to state that in the case of Canada, where probably the greatest number of American branch plants are located, the tariff is the most influential factor, as shown strikingly by the fact that the automotive production centres of the two countries are located with a few miles of each other." And again:

"In the case of Canada it may be stated that the tariff obstacle against the movement of goods across the border, on the one hand, and the strong pull of proximity, similarity of taste, standard of living and of language, on the other, have served to hasten the expansion of American industry beyond the national frontiers."

Labor Factor Discussed

When the Walsh resolution was passed it was thought by many that American concerns were establishing foreign plants to take advantage of "cheap foreign labor," the cry most used to sustain tariff advances. While it cannot be said that lower wage levels abroad have not influenced the branch factory movement, these lower wages have not greatly affected the competitive situation, a factor which the department declares "has been greatly exaggerated" in popular discussions of the subject. Dealing with Canada on this point, the report states:

"In this connection it should be pointed out that Canada, which has almost as many American branch plants as other countries combined, comes nearest to the American wage level, as indicated by the interchange of labor between Detroit and Windsor. The standard of living and consumer psychology of the two countries are also very similar, which combined with the tariff and national sentiment factors, explains the special position occupied by Canada in the branch factory movement. It would therefore be quite safe to assume that in Canada — and the same is true of the other British dominions—the difference in wage level is not a factor, except in perhaps a few isolated cases."

Empire Position Outlined

Discussing the tariff again, the department takes cognizance of the advantages of the British preferential system as a stimulus to the establishment of American branch factories and predicts:

"The present discussion of empire free trade policy in Great Britain and the recent raising of tariff barriers in Australia are likely to intensify the migration of American industries to the British Empire."

Another contributing cause to the branch factory movement is the invitation by energetic publicity campaigns given to manufacturing concerns to establish themselves away from home. "This is particularly true of the Dominion of Canada, where many of the American branch plants are located, and to a lesser extent, perhaps, in the other British dominions," department states.

Influence of the working clauses of patent laws have probably been most effective in the cases of Canada and the United Kingdom, it is further observed. By itself the desire to provide adequate surviving facilities is probably secondary as a motive for establishing a branch plant.

In general the branch factory movement out of the United States has had its greatest growth since the World War. Prior to the conflict the bulk of American foreign investments went into the development of natural resources. Since then the emphasis has been placed upon expansion of the market for American products through the establishment of branch plants.

Affects Surplus Industries

The report also reveals the close connection between the character of this movement and the character of American domestic industrial development. "It is hardly necessary," the report reads, "to emphasize the fact that the bulk of our foreign branch plants represent industries that are in practical control of the domestic markets; in other words, industries with an actual potential surplus production. * * * * Under the circumstances it might be said that the branch factory, by and large, is merely a more intensive method of selling an American product in foreign markets."

In admitting the importance of the tariff as a factor in this matter the department points to the inflexibility of the U. S. tariff system. With a single schedule applicable to all countries' products the United States is not in a position to offer concessions that might avoid the necessity for establishment of the branch factory. The department doubts, on the other hand, whether such a flexible policy would be effective in this respect in the case of a British dominion where the desire for industrial development "is a cardinal principle of economic policy."

British American Oil Presents Good Statement

Earns $1.01 on Common in 1930 as Compared With $1.23 in 1929—Working Capital Nearly Reaches $5,000,000—Southern Oil Well Earnings Not Included

British American Oil Co. earnings for 1930, before providing for debenture interest, depreciation and income tax, amounted to $4,111,215 as compared with $4,391,809 in 1929 and $4,335,553 in 1928. After all charges net profits were equal to $1.01 a share as compared with present dividend requirements of 80 cents a share annually and as contrasted with earnings in 1929 of $1.23 a share, in 1928 of $1.23 and in 1927 of 83 cents. Surplus was increased during the year from $7,504,967 to $8,054,887.

EARNINGS STATEMENTS COMPARED

Year	Net Earnings $	Deprec. $	Income Tax $	Net Profits $	Earnings Per Share *$
1927	3,010,823	654,506	188,505	2,167,812	0.827
1928	4,335,553	841,308	279,540	3,214,705	1.226
1929	4,391,809	874,499	281,385	3,235,926	1.234
1930	4,111,215	1,017,848	237,000	2,648,034	†1.01

† After deduction of an additional amount of $208,333 for debenture interest which was not payable in previous years. Dividends equal to $2,098,114 were paid, the surplus allowing the accumulated surplus to be increased from $7,504,967 at the end of 1929 to $8,054,887 at the end of 1930. * Based on 2,622,642 no par value shares outstanding.

Oil Wells are Valuable

Current assets amounted to $9,006,701 and current liabilities to $4,125,475, leaving working capital of $4,881,226. Among the current assets is shown an item of $1,155,690 for cash and among current liabilities one of $1,850,000 for bank loans. Total assets at $27,875,333 compare with $26,076,048 a year earlier.

Working Capital

	$ 1930	$ 1929
Current assets	9,006,701	10,763,653
Current liabs.	4,125,475	2,895,213
Working capital	4,881,226	7,868,440

In his comments to shareholders, A. E. Ellsworth, president, stated results would have been much the same as in the previous year except that a special reserve had to be put up on account of Western business conditions and there had also been debenture interest to meet for the first time.

"Our oil-producing properties, both actual and prospective, in Oklahoma and Texas, are extremely valuable," continued Mr. Ellsworth, "but we have taken no credit for this in our statement beyond the cost of same, neither have we taken credit for about one half million dollars of earnings from these properties. If the pro-ration should be lifted, even to a limited extent, a large amount of money might be realized from this source during the year to add to our regular profits of refining and distributing."

Last year's statement gave effect to the issue of $5,000,000 in debentures, making working capital exceptionally high. In the meantime the money so received has passed in large part from current assets into earning assets, and especially from the Oklahoma City wells promises to give good returns this year under the conditions outlined.

The annual meeting on February 17 was well attended and comments by shareholders indicated satisfaction with the results and prospects. In answer to questions it was indicated by the management that the prospects for 1931 were regarded as better than ever. Special reference was made to the fact that the duty against imported gasoline had been restored to the 2½ cents a gallon figure and that the dumping duty was being applied against gasoline being offered under cost price by United States refiners who wanted to move it at any figure. In 1931, therefore, operations would not be hampered to the same extent as in 1930 by this feature.

Celtic Knitting Suffers Operating Loss in 1930

From Our Own Correspondent

MONTREAL. — Operations of Celtic Knitting Co. in 1930 resulted in an operating loss of $28,831 as compared with a profit of $9,441 in 1929. After carrying forward the balance of the previous year and transferring $8,000 from reserve fund there was left a balance of $5,702 brought forward into the current year.

E. P. Gordon, president of the company, pointed out in his remarks to shareholders that from March to October the production of the factory was far below capacity but by November the effect of the new tariff became noticeable and production gradually increased during the last two months of the year. He said no loss would have occurred but for the drastic drop in raw materials. He considered the outlook for 1931 more hopeful.

Illinois Alberta Well No. 1 Helped By Nitro-Glycerine

No. 1 well of the Illinois-Alberta Oils, in Turner Valley, which originally came into production in 1927 has had its production stimulated by a shot of 80 quarts of nitro glycerine and is currently producing about 50 barrels of crude naphtha daily.

Officials of the company state that production had been falling off during the past few months, which prompted the decision to shoot the well, and it is anticipated from current indications, the well will be back to its original production of approximately 100 barrels daily in the course of about a week.

When this well is again on steady production it is the company's intention to clean out its No. 2 well and drill it to production from its present depth of 3,663 ft. being 113 ft. in the limestone.

Business Briefs

Car Loadings in the week ended February 7 were 18.3 per cent below the corresponding week in 1930 but only fractionally lower than the previous week. Chief gains in the week were in merchandise in less than car lots, pulp and paper and forest products, coal and coke. Miscellaneous shipments, ore and grain were lower.

Wheat Exported in January amounted to 9,608,852 bus. valued at $5,430,682 as compared with 4,994,054 bus. valued at $6,768,033 exported in January, 1930.

Another American Branch

Announcement is made of the establishing in Walkerville of a new industry, the Lodge Motor Company Limited, a subsidiary of the Detroit firm of the same name. It will manufacture marine engines. Factory space is being secured and machinery is being placed. The plant will shortly be in operation, employing about a hundred men as a start.

Pulpwood Shipments in West

Shipments of pulpwood from Western Canada to the United States showed a substantial increase during 1930. Canadian National Railway's figures for last year are almost 50 per cent larger than in the previous year.

NET PROFITS DOWN FOR FANNY FARMER, ADDS TO SURPLUS

Liquid Position is Still Further Strengthened—Reduces Preferred

Fanny Farmer Candy Shops earnings for 1930 were down considerably as compared with 1929, but working capital position was strengthened still further and the company's surplus materially added to. Total sales are not given in this report as in previous years, but monthly reports to the end of September indicated that there had been to that time a decrease of 4.24 per cent.

Net profits applicable to preferred stock after applying $52,621 to preferred stock sinking fund amounted to $16.39 a share on 17,596 shares outstanding in the hands of the public as compared with $20.44 a share on 19,265 shares, which had been outstanding a year earlier. This left $2.45 a share for common stock as against $3.45 a share in 1929 and $2.71 a share in 1928. Dividends on common stock of $1 a share left enough to raise the accumulated surplus from $1,182,003 at the end of 1929 to $1,324,955 at the end of 1930.

Working Capital Rises

Frank P. O'Connor, president, in report to shareholders, considers $340,999 net profits for the year, after making ample provision for depreciation and income taxes, to be satisfactory in view of the business depression. The working capital position was improved, net current assets increasing by $148,838 to $1,013,575. Cash is higher at $400,346, inventories lower at $211,752, while Government securities at market value show an increase from $305,345 to $458,705. Current liabilities of $93,540 include an amount of $72,000 as reserve for federal and state taxes.

By means of a considerable addition to depreciation reserve (which now stands at $335,692 as against $271,762 a year earlier) fixed assets are shown at $545,324 as compared with $564,254 at the end of 1929. Of the original issue of 30,000 preference shares, it is to be noted also that the company has purchased 12,404 shares, charging the cost to surplus account.

INCOME AND SURPLUS ACCOUNT
Years Ended December 31

	1930 $	1929 $
Total sales	......	4,043,168
Less: Cost of mat. & exp.	......	3,513,507
Net earnings	407,808	629,661
Less: Res. for taxes	66,809	85,541
Net profit	340,999	444,120
Less appropriations:		
Pref. stock sink. fd.	52,621	50,236
Pref. div.	42,906	48,953
Com. div.	100,000	100,000
Pref. stk. purc.*	2,520	214,058
Surplus for year	142,952	30,873
Add: Prev. surplus	1,182,003	1,151,130
Bal. carr. for'd.	1,324,955	1,182,003

*Cost of preference shares purchased and registered in name of corporation.

Working Capital

	1930	1929
Current assets	1,082,114	923,276
Current liabilities	93,539	110,193
Working capital	988,575	813,083
Ratio	11.56—1	8.38—1

Public Utility Earnings

Mexico Tramways, Light & Power Group of Companies

December—	1930 Pesos	1929 Pesos	Increase Pesos
Mexico Tramways Co. & Subsidiaries			
Gross earn.	807,120	879,260	†72,140
Oper. & depr. exp.	898,460	928,654	†30,194
Net earn.	*91,340	*49,394	†41,946
Aggre. gross from Jan. 1	9,943,740	10,724,935	†781,195
Aggre. net from Jan. 1	*888,280	45,092	†933,372
Mexican L. & P. Co. & Subsidiaries			
Gross earn.	2,085,630	1,953,473	132,157
Oper. & depr. exp.	1,182,880	1,012,941	169,939
Net earn.	902,750	940,532	†37,782
Aggre. gross from Jan. 1	23,331,364	22,169,278	1,162,086
Aggre. net from Jan. 1	11,270,940	10,986,431	284,509

*Deficit. †Decrease.

B.C. FRUIT GROWERS TURN FROM PLAN FOR FORCED POOL

W. Sanford Evans Has Backing of Independent Growers

From Our Own Correspondent

VANCOUVER. — Strong support of the stand taken by Sanford Evans, special investigator, against British Columbia's co-operative fruit marketing monopoly, is given by the independent growers and shippers of the province, who have set as their chief objective to stamp out attempts at centralized selling and "provincial socialism."

In taking this action the independents adopted an attitude directly in conflict with that of the B. C. Fruit Growers Association, which came out 90 per cent in opposition to the Sanford Evans recommendations. Mr. Evans proposed that the present idea of selling through a single agency with almost monopolistic powers should be abandoned and that the fruit industry should get back to a business-like, competitive basis as soon as possible. Instead of artificial regulation of prices Mr. Evans urged that live selling agencies be appointed to get out and hustle for markets. The B. C. Fruit Growers Association opposed this and came out in favor of F. M. Black's scheme for centralized selling.

And now the independents back up Mr. Evans in recommending that the present selling system be scrapped altogether.

"At the outset," declares the report of the independents, "it must be clearly understood that the independents, both growers and shippers, are absolutely opposed to centralization by statutory enactment, and that their main objective is to defeat the possibility of central selling being imposed by legislative enactment.

"If a centralized selling scheme authorized by act of parliament is seriously considered at all, then it must be on the basis of a direct government monopoly or of provincial socialism. The passing of such a statute would be in the nature of an expropriation measure, taking from all growers their right of ownership in the products of their farms and conferring the right of administration upon a committee."

Some of the chief points in the independents' policy are: 1. A definite pledge to a marketing policy that is carried out, based on freedom of action within the general laws of the land. 2. Retention by the individual of the right to contract, bargain and sell his products. 3. Protection of growers' interests by the use of uniform contract clauses. 4 Establishment by the government of an information bureau devoted exclusively to the fruit growing industry.

Independents Back Evans
From Our Own Correspondent

VERNON, B.C.—The Financial Post of January 29th under the heading "Another Attempt to Defy Economics" called the attention of its readers to the Sanford Evans report on fruit & vegetable marketing in British Columbia. The Post stated "The suggestions are too simple, too business-like, too conservative to appeal to the growers. In convention assembled they have rejected them. They wanted a panacea and merely got horse sense."

This statement was true on January 22nd, but on February 5th when the Independent Growers Association held its convention in Kelowna, the Sanford Evans report was adopted and a Marketing Plan presented, which indicates that at least 50 per cent of the fruit growers in British Columbia want nothing more to do with panaceas, but do want horse sense. In brief the sane growers have revolted and appealed to the government to stand by its own royal commissioner's report.

In January 1929 the British Columbia Fruit Growers Association held its convention and a resolution for Central Selling was introduced. Dean Clement professor of agronomy at the University of British Columbia, addressed this meeting and advised a full enquiry by a commission into the whole marketing problem suggesting that central selling should come by evolution not revolution. An amendment to the resolution was unanimously carried which called for the government to appoint a Royal Commissioner to examine the whole problem. It was stated that this commissioner would "present a fair and impartial report which would be accepted by co-operatives and independents alike."

But the government instead of appointing Dean Clement, a strong supporter co-operationist, appointed W. Sanford Evans—and then the fat was in the fire. From that moment F. M. Black, chairman of the committee of direction under the Produce Marketing Act determined to ignore the Commissioners report. He and his backers were able to amend the Produce Marketing Act in 1930 by introducing a pooling resolution and then in 1931 determined on introducing the bill for central selling by legal enactment. However when F. M. Black made his report in November, 1930, proposing central selling, the independents demanded the Sanford Evans report, and produced their own marketing plan based on this report at the convention on February 5th.

Government Backs Evans
From Our Own Correspondent

VANCOUVER. — If the legislation under which British Columbia fruit growers have been marketing their crops during the last few years is declared ultra vires by the Supreme Court of Canada—and that is regarded as anything but a remote possibility—the government of this province will probably lose no time in throwing overboard the present system and adopting the recommendations of W. Sanford Evans for a return to competitive selling.

While disagreement on the question of fruit marketing legislation was discovered in the Conservative caucus on the opening day of the legislature's session this month in Victoria, the attitude of the government itself is unmistakably with Mr. Evans.

Growers Change Over

While the British Columbia Fruit Growers' Association went on record as opposed to the Evans proposals and in favor of the plan of centralized selling sponsored by F. M. Black, chairman of the committee in charge of fruit sales in British Columbia, evidence has accumulated since this action was taken indicating that very strong and widespread sentiment in favor of the Evans plan has developed among the growers. There have been many outspoken statements by representative orchard operators indicating that the Fruit Growers' Association stands for merely a section of the industry, and that an equally important section is fed up with the theory and practice of co-operative pools and artificial price fixing. This attitude found formal expression when the independent growers met recently, but it has since been reiterated many times by other representative fruit men.

All that is required now to sound the knell of pool selling in British Columbia is a decision from the Supreme Court of Canada finding the present system defective. Even if the court should sanction the system, the government is almost certain to modify severely the monopolistic principles on which the legislation is based and which would be further extended if the Evans report were neglected and that of F. M. Black, favoring central selling, adopted.

$4,836,000
City of Toronto
Ontario
4½ Per Cent Serial Debentures

The Commissioner of Finance, City of Toronto, announces that he will receive sealed tenders addressed to William J. Stewart, Esq., Mayor and Chairman of the Board of Control, City Hall, Toronto, up to 12 o'clock noon (Eastern Standard Time).

Tuesday, February 24th, 1931

for $4,836,000 — 20 and 30 year Serial Instalment debentures payable in Toronto, New York and London, England, at the option of the holder. Interest Coupons payable half-yearly from 1931 to 1961 inclusive. Approximate average maturity is 16.1 years.

These debentures are issued to finance the Toronto Hydro Electric System, High Pressure Fire System, Parks, Schools, Sewers and Water Works.

Engraved debentures will be ready for delivery March 2nd, 1931, in Toronto or New York, as desired.

The City of Toronto never renews or refunds any of its obligations and in conformity to this established practice has, since January 1st, 1919, extinguished $91,000,000 of debt of which $22,142,000 was before maturity. In addition debentures amounting to $7,192,000 will mature this year and provision has been made for the payment of same.

Prospectus will be furnished on application to the Commissioner of Finance, City Hall, Toronto.

More Work Planned in Sullivan Gold Mines

Directors of Sullivan Gold Mines, developing a gold prospect at Lake Dubuisson, south of Amos, P.Q., near the Siscoe Gold Mines, is reported as having plans for further development work.

Last fall John Knox, assistant general manager of Hollinger Consolidated Gold Mines, examined the property and recent rumors connect the Timmins interests as potential financial sponsors for further development.

Fourteen veins have been discovered on the surface, the main one showing a width of approximately 27 ft. with coarse gold in quartz. The shaft has been sunk to a depth of 275 ft. and levels established at 150 and 250 ft. Approximately 8,500 ft. of diamond drilling has been done.

The company was incorporated with a Quebec charter in 1928 with an authorized capitalization of $3,000,000 in $1 par value shares of which 2,083,630 are outstanding. John A. Sullivan of Montreal is president of the company.

INV. BOND, SHARE SHOWS LARGE DROP IN SECURITY VALUE

Revenue Maintained But Book Values 26 p.c. Below Cost

Net profits of $146,373 as compared with $153,652 the previous year, are shown in the third annual report of Investment Bond and Share Corporation. Net value of securities owned shows a depreciation of 26.7 per cent from book value after taking into consideration $600,875 at the credit of investment reserve, which is net profit from sale of securities. Total assets are shown at $7,319,270 and market value of securities owned were $1,908,178 below book value at the close of the year.

Current liabilities reveal a secured bank loan of $500,000 a new item which brings the total to $555,267. Assets show bonds and stocks at cost at $6,931,714; cash of $52,047; a secured call loan of $293,795, and interest accrued on bonds of $41,714.

Capital Profits $44,000

In his report to shareholders, the president, Sir Herbert Holt, says:

"Net realized capital profits during 1930 amounted to $44,002, which amount your directors have transferred to the credit of investment reserve, which, at the close of the year, stood at $600,875.

"Investments at the close of the year were divided as follows:

Bonds	31.43%
Preferred Stocks	28.78%
Common Stocks	35.38%
Cash and Call Loans	4.41%
Total	100.00%

"Profit and loss account is as follows:

	1930 $	1929 $
Bond interest	146,036	
Other interest	22,158	
Dividends	203,364	381,741
Gross income	371,558	
Less:		
Gen. exp., taxes, etc.	13,531	16,356
Int. on loans	5,139	6,992
Int. on deb.	200,000	200,000
Inc. tax prov.	6,515	5,741
Net profit	146,373	153,652
Less: Pref. div.	105,000	105,000
Surplus for year	41,373	57,652
Add: Prev. surplus	131,785	211,436
Less: Inc. tax adj.	10,030	1,500
Trans. to inv. res.	......	126,803
Bal. forward	163,128	131,785

Is Managing Director De Forest Crosley Co.

A. L. Ainsworth has been appointed vice-president and managing director of De Forest Crosley, Ltd.

Mr. Ainsworth has been with De Forest Crosley since the organization in 1923, latterly as vice-president and plant manager. He has gained a wide reputation for his ability as an organizer of industrial production. He is one of the youngest of managing executives in Canada.

NOTICES

BROKER'S CLERK

Over two years' general experience with Toronto Stock Exchange house. Favourable references. Desires any post affording opportunity for advancement. Box 257, Financial Post, or telephone Hyland 7440.

Ex-Air Force gunnery officer has an entirely new invention in aerial machine guns, 2,000 rounds per minute. Would like to meet someone to promote same, or would sell full size working model outright. Box 253, The Financial Post, Toronto.

The Great West Saddlery Co., Limited, Twenty-Year First Mortgage Sinking Fund 6% Gold Bonds

As provided in the Deed of Trust dated 1st March, 1928, securing the issue of bonds above described, under Article 8, Section 2, of said Deed of Trust, the Company will receive sealed proposals up to twelve o'clock noon, February 25th, 1931, for the sale to it of as many of the said bonds, at a price not to exceed $105.00 and accrued interest, for the account of the Sinking Fund, as will exhaust all or any part of the sum of Twenty-eight Thousand Nine Hundred and Twenty ($28,920) Dollars.

Proposals should be placed in a sealed envelope, addressed "Tenders for Sinking Fund," and mailed to the offices of the Company, 113 Market Street, Winnipeg. The right is reserved to reject any and/or all tenders.

THE GREAT WEST SADDLERY CO., LIMITED.

By LLOYD THOMPSON, Treasurer.

Dated at Winnipeg, Man., February 16, 1931.

TOWN OF HAWKESBURY

CALL FOR TENDERS

Sealed tenders are called for the purchase of $16,580.37, 5½% twenty-year installment debentures, purpose of issue being as follows: redeeming Debentures falling due in 1931. Tenders will be received up to Monday, March 2nd, 1931, at 8 o'clock P.M.

Eug. Paquette, Town Clerk.

"Tenders on a Five Thousand Dollar Debenture of the Town of Wilkie, Saskatchewan, will be received by the undersigned up to noon, March 7th, 1931. Interest 6%, repayable in 20 equal annual instalments of principal and interest combined. No tender necessarily accepted.

T. A. Dinsley, Wilkie, Sask."

AT YOUR FINGER TIPS!

A Continuous Service Giving Information On Canadian Companies

The Financial Post Corporation Service was inaugurated to supply up-to-the-minute information, in convenient form, to those responsible for investing trust funds or advising clients, with regard to investments. There is no better way to keep constantly in touch with the position of a company than by means of this service.

The service contains reviews of hundreds of Canadian companies, all presented in card form and supplemented by news cards, daily if necessary, to assure complete information at all times. The cabinet, shown above, contains all the cards, the service being so designed that the main reviews and news cards may be filed together. Operation is simple and speedy. It is necessary only to extract the cards on the desired company to have the complete facts before you. The information is virtually at your finger tips.

FACTS THE SERVICE GIVES YOU

The reviews themselves thoroughly cover the points required to be known when investigating a company. Some of the points detailed are as follows:

What the company does. History of its operations. Officers and directors. Subsidiaries. Details of each stock issue. Details of each bond issue. Names of underwriters. Changes in capital stock. Dividend record. Stock market record. Seven years' earnings. Seven years' bal. sheets.

The news card feature of the service keeps these points up-to-date and supplies additional information such as monthly earnings, dates of special meetings, details of bonds called and all other announcements made by the company.

WHO USES THE SERVICE

Trust companies, banks, insurance companies, investment bankers, brokers and investment departments of industrial organizations use the service and find it fills a long felt want in supplying reliable and complete information on Canadian companies.

Inquire about this service — it will prove equally valuable to you.

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143 University Avenue, Toronto

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Your Investments

Questions and problems on Canadian investments submitted by subscribers of The Financial Post will be answered by letter and those of general interest will be published on this page. We cannot extend this service to non-subscribers nor do we answer enquiries relating to American stocks or foreign securities generally. A two-cent stamp or stamped envelope must always be enclosed to cover the direct reply. Write mining and insurance enquiries on sheets separate from other investment enquiries. No answers can be given by telephone or telegram.

National Steel Car

I have been a subscriber to The Financial Post for several years and would like to take advantage of your investors service to ask your opinion of National Steel Car Corp. What is the outlook for this stock?

Operations of railroad equipment companies fluctuate in accordance with the requirements of railways from year to year, and earnings of National Steel Car Corp. will reflect this cyclical activity. During recent prosperous years, however, the company has strengthened its financial position and has carried out improvements to its plant. Profits in the fiscal year which ends June 30, 1931, are likely to fall below those of the previous period, but indications are that dividend requirements will be earned.

The business of equipment companies is liable to be relatively slack for the next year but National Steel Car is in an improved condition to handle large orders when they are placed.

Alberta Grain

I hold some bonds of Alberta Pacific Grain Co. and am wondering whether interest will continue to be paid. What do you think of the outlook for this company?

Alberta Pacific Grain has passed its worst period and given normal marketing conditions in Western Canada, should be able to re-establish its financial position. We do not think that the company will pass its bond interest and believe that over the next two or three years this security should show greater strength.

The exchange proposed of the Maritime Telegraph and Telephone stock for that of the Bell Telephone Co. of Canada, while not offering many material advantages, has points in its favor. In the first place you would be securing a security with greater investment merit and, secondly, a security which enjoys a wide and active market. Looking at it from the point of view of investment, the Bell Telephone shares are to be preferred.

Deeded Oil Royalties

Would you advise the purchase of Deeded Oil Royalties in the Seminole County, Oklahoma? If not, what is your objection?

Our objection to Deeded Oil Royalties is that in most cases for Canadians it is like buying a pig in a poke. They make the purchase only on representation made by the seller, and you know the old and well tried maxim that the buyer must beware. Returns are also made considerably less at present by the stringent curtailment programme applying in Oklahoma as well as in other states. Under such curtailment programmes reports of potential production means nothing.

Lake of the Woods

Please be good enough to give me the reason for the slump in the shares of Lake of the Woods Milling Co. I bought the stock at prices well above today's level, and am at a loss to account for the decline in the shares.

The recent slump in the shares of Lake of the Woods Milling Co. was discounting the probability of omission of common dividends, which has now occurred. In common with other milling concerns in Canada last year, Lake of the Woods' earnings were adversely affected and payment of common dividends made inroads into surplus. While flour exports have improved during the current year, directors have decided to conserve the company's cash position until a more marked betterment is indicated. Another factor entering into the situation surrounding the company is its expansion into the western baking industry, undertaken about a year ago.

Due to keen competition, conditions in the baking industry have not been satisfactory, and this, coupled with depressed business in the Western provinces, has hampered progress in this division.

Dryden Paper

I hold some bonds of Dryden Paper Co. Has this company been severely affected by business conditions? What is your opinion of the securities and do you think interest is fairly safe?

While the situation in the kraft paper industry is still unsatisfactory, operations of Dryden Paper Co. during the first quarter of its current fiscal year, were sufficient to cover bond interest. Further, an encouraging feature is seen in the development of some new bags which will be supplied by Dryden through the Bates Valve Bag Co. Sales campaigns are being started in the United States and Canada for the new product. As you probably know, Dryden Paper Co. confines its market for kraft to the western provinces and sales have naturally fallen off to some extent as a result of the adverse grain situation. The company, however, has made satisfactory progress in the past few years, and the bonds are relatively well secured.

Interest charges in the year ended September 30, 1930, were earned by a small margin after provision for depreciation and depletion charges of $100,000.

Greater Windsor Development

I own a $250 bond of the Greater Windsor Development Co. Would you advise me as to whether this bond is worth holding and what I should do with it? I understand that the liabilities of United Bond Co. are greater than the assets and am anxious as to how this condition will affect my bond.

We have taken up the question of value with London & Western Trusts Co. of London, and the general manager of that company, John S. Moore, replies as follows:

"The issue covering the Greater Windsor Development Co. is one of the better issues of the United Bond Co. There is covered by the mortgage a modern apartment house and a ramp garage convenient to the centre of Windsor. It is under our management as receivers at the present time and the indications are that there will be enough revenue from it to pay coupon interest, but not sufficient to take care of amortization of the bonds. The best thing your subscriber can do is to hold the bond for the present."

Consolidated Food

I would like some information as to the present operations of Consolidated Food Products Ltd.

Consolidated Food Products has been getting better business through its Stop and Shop Stores in recent operations than in the early stages of the company. To that extent the situation is favorable. There is good management, but under the best officers it will take some time before the company can pull itself into a position which will make the payment of dividends a conservative thing to do.

B. A. Oil

I hold 100 shares of Falconbridge Nickel at $10 a share. Would you advise selling out at the present market and buying some dividend paying stock such as British American Oil?

In your case we would be inclined to make the exchange mentioned by you, of selling Falconbridge Nickel and putting the proceeds into some dividend-paying stock such as British American Oil.

International Nickel

I shall have $2,000 to invest in a short time and have three different possibilities in mind: the first is to purchase 133 shares of International Nickel outright, the second to buy 100 shares of C. P. R. on a 25 per cent margin and the third to buy 100 shares of Standard Oil of New Jersey on a 25 per cent margin. The balance of my money I could hold for additional margin if required.

Please advise me as to your opinion on these three possibilities.

All of the investment projects which you have been thinking, of, have merit. The only question is to decide the proper time to buy, the price and the quantity to purchase. The purchase of International Nickel shares outright would be the safest proceeding of those mentioned by you. There may possibly be opportunities to buy the stock below 14 again, if any other large investment holdings are dislodged, as has occurred so many times during the last year and a half.

The company's mines are so rich and its milling capacity so extensive, that the earnings of the company are only limited by market conditions in the world. It is the intention of the company to extend production in so far as is necessary to supply the world with its demand for nickel. When business gets more active and the demand for nickel increases with it, you will probably see a speeding up of operations all along the line.

C. P. R. is a splendid investment—we know of none better, but we believe purchases should be made with a view to holding permanently.

We do not advise with regard to foreign securities.

Canada-America Trust

I have been approached to buy Canada-America Trust Shares which rather appeal to me due to the low level of stock prices at the present time and the fact that securities of 30 sound companies are held in the investment portfolio. Am I correct in believing that shareholders are protected by the trustee who holds the trust's investments. Has this particular type of trust any weakness?

Your letter with regard to Canada-America Trust shares expresses very well all the arguments in favor of such a purchase. You are right in supposing that as soon as you have received the shares from the trust company you will be protected by the trustee, Royal Trust Co., and that no changes can be made in the securities behind your shares, except as provided that shares which cease to pay dividends must be sold within 100 days or thereabouts.

The disadvantage of the plan is that securities sold automatically because of dividend payments ceasing will be sold on a weak market for that stock. They are all large and successful companies but 10 years may make a tremendous difference in the position of even the best company, for the worse as well as for the better.

Abitibi Preferred

I should like your opinion on the preferred stock of Abitibi Power & Paper Co. I buy outright and not on margin.

Abitibi preferred at present prices is paying well and the yield would not be so high for the 6 per cent preferred stock if people were absolutely sure of the dividend. A yield exceeding 14 per cent is very high. We have no certain information as to earnings of Abitibi Power & Paper Co. during 1930, but are informed by people who usually are well informed with regard to this company that the preferred dividend has been earned with a little margin.

Just at present there is talk of newsprint prices being shaded down somewhat which might again make it difficult for companies in 1931 to cover all dividend requirements.

The question is whether it is wise to take a chance on buying the stock now or to wait for a period until the situation is clear. In the latter case you would probably have to pay higher prices if matters turn out as well for the company as one hopes, but one would avoid the dangers, also of lower prices in case further adverse features should appear. In a speculative way, for one who can afford to hold until business turns, it is a promising stock.

Abitibi Bonds

Will you be good enough to give me your opinion on the present position of the Abitibi bonds? Do you think there is any chance of the company passing its interest payments?

The situation in the newsprint industry over the past year, together with the immediate outlook, is not satisfactory, and the securities of all manufacturers have reflected this situation. Abitibi bonds have depreciated in value, but we do not think that there is any immediate likelihood of the company passing its bond interest. Earning power, on the other hand, has been restricted and this has detracted from the investment merits of the bonds. We would continue to hold, but, would watch, any new developments concerning this company.

Charles Gurd

Would you kindly give me your opinion as to the advisability of purchasing Charles Gurd common shares. What is the outlook for the company?

Charles Gurd and Co. has made progress since its inception a few years ago and maintained its position last year. Keen competition exists in the industry it serves, a factor which should not be overlooked. The company, however, pursues aggressive merchandising policies and has strengthened its production facilities in the past few years.

Western Grain

We hold 10 shares of preferred and three shares of common stock of Western Grain Co. purchased at $100. Would it be better to sell these if possible around $80 or would you advise holding?

In common with other grain companies, Western Grain Co. did not have a good year in the year ended July 31, 1930. It earned nothing at all on the preference shares though it paid $6.50, and this compares with $26.56 a share earned in 1929 and $2.33 on the common stocks.

Current year's business shows improvement. About the middle of November The Financial Post was informed that the company had handled more grain in its current fiscal year to that date, than it had handled during the entire previous fiscal year. Therefore you will see that there is a better opportunity for the company in the present fiscal year and we would imagine that it would be better for a holder to wait than to try to sell now.

However, there was a reduction in the available surplus in order to pay the preference dividend at the end of the year July 31, 1930, from $466,210 to $188,949. Preference dividends require $130,000 and therefore the surplus is not much more than that amount. It must depend on the continuance of the sale of Canadian grain to Europe, and that situation is far from happy yet. The surplus held by the United States overhangs the Canadian market and will do so for a year or two. As a matter of safety first you could accept the $80 a share, but we nevertheless regard the situation of the company over a period of years as promising, whatever temporary adversity it may encounter.

May Wheat Futures

What is your opinion of May wheat futures which I have bought at $1? I am holding these futures on the chance that the market may come back some from present levels. Can you see anything between now and the end of April that might indicate an upward trend?

We cannot answer your question on May wheat futures. This is a purely speculative question whose answer will be determined by a multitude of transactions all over the world, which it is impossible for any one human mind to envisage. Adverse factors still seem overpowering to those looking for much of a price rise.

Lake St. John Power

One of our customers is holding a 6½ per cent bond of Lake St. John Power & Paper Co. Do you consider it advisable to hold this bond or would it be better to sell at the market? Please tell us what present quotations are?

The newsprint industry is faced with a difficult year; production has declined, operations have been curtailed and prices for newsprint are not satisfactory. While there are no new installations in view, which would increase the present overproductive capacity of the industry, it may be some years before demand catches up with the existing supply of newsprint. While there is relatively good security behind your customer's bond, many investors prefer to hold securities of companies operating in an industry whose outlook is more encouraging. Whether your customer is prepared to take a loss in selling his holdings in order that we may invest in other securities depends upon his financial position and his own opinion. The present market for the bonds is around 80-85

Canada Steamships

A client of ours holds a small block of Canada Steamships 6 per cent and wishes an opinion as to the future of this issue, advisability as to selling or holding, etc.

Canada Steamship Lines had an unsatisfactory season in 1930, due to the limited movement of grain from the head of the Lakes. While the financial statement for the past year has not been published, we are given to understand that the bond interest will be shown as earned, provided that full depreciation is taken as a second charge.

We are further informed that the outlook for the current season is considerably better than it was at this time a year ago, judging by the large number of enquiries received. Grain has been moving more freely this crop year, and if the flow is normal during the season of navigation, Canada Steamship Lines should be able to regain a great deal of lost ground during 1931. The fact should not be minimized, however, that the current position of the company is weak, but, on the other hand, a good year will do much to restore its impaired financial position.

Whether or not your client disposes of his bonds in the present market largely depends upon his financial circumstances.

When Women Invest

A WEEKLY FEATURE

Owns 100 Securities

Enclosed is a list of securities held by me. Quite a number I purchased at higher prices than prevail today. I am not in any immediate need of income as I have a regular salary. What is your opinion and advice regarding same? Do you think it would be wise for me to turn over my estate to a trust company for administration?

Your holdings of Dominion, provincial and municipal bonds are good in view of these being ample for your needs just now. We see no reason to change your holdings in Imperial Bank and Grain Growers, though the latter is depreciated at present, International Petroleum, which is only subject to the risk of revolution in South America and further unpleasantness possible as a result of over-production of crude oil at present. Consumers Gas, which is an excellent investment stock, British American Oil, Imperial Oil, Page-Hersey, Moore Corporation, Class B preferred and common stocks, Canadian Canners second preferred stock, International Nickel, Brazilian Traction, which has the risk involved in possible depreciation of milreis on account of financial and political conditions in Brazil. At the same time you would do well, at the next favorable market to reduce your commitments in the more speculative stocks. Your choice of stocks indicates that you have a good idea of investment values. There seems therefore no real reason at present for calling in the trust company. Still 100 stocks is a large burden to follow intelligently while you have another full-time occupation as well.

Massey-Harris Common

I would like your opinion of Massey-Harris and if at the present price you would consider it a good buy for a hold.

There is plenty of time to watch the course of Massey-Harris before making a speculation in the stock.

Based on earning assets as revealed in the statement for November 30, 1929, the present price looks very attractive. We are very close to the time, however, when the financial statement of the company for the year ending November 30, 1930, will be available, and it will probably show a large change to have taken place.

In 1931 there may also be difficult times for the company, and you would probably be safe in waiting until February or March of 1932 for the statement for this year before deciding.

As preferred dividends have also been passed, the preferred stock must come back before the common, and with each succeeding year of deferred dividends on the 5 per cent preferred stock the day of dividends for common will be pushed so much further into the future.

Investment Terms In Every Day Use

Accrued Interest

Interest on bonds is usually paid twice a year. Coupons for each six months' interest are attached to the bonds, and may be cashed at any bank. Accrued interest is that portion of half-yearly interest due to the holder of the bond from the last interest date to date of sale. If the interest dates are January 1 and July 1, and if a bond is sold on June 1, the vendor of the bond receives five months' "accrued interest"—the purchaser paying this accrued interest and then receiving six months' interest when the July 1 coupon is cashed. (Accrued dividend possesses the same significance in connection with stocks as accrued interest does to bonds.)

Assets

The property, real estate, machinery, merchandise, etc., owned by a business are known as its "assets." Fixed assets refer to immovable property, etc., while current assets refer to cash, accounts, inventories, or other movable and readily saleable assets.

Authorized Issue

This signifies the total amount of bonds or stock which a company may legally sell in accordance with the provisions of its charter.

Bond

The certificate which a government or corporation issues to the lender as evidence of the loan. A "bond" is part of series of bonds issued at one time under a common security. An issue of bonds may be secured by a mortgage on property, or on other assets, or may be secured simply by the pledge of the issuing body.

Called Bonds

When an issue of bonds is made, the issuing corporation usually reserves the right to call in and retire by paying off all (or a portion) of the issue prior to maturity at a stated figure—generally a premium over par.

Capitalization

This signifies the bonds, preferred stock and common stock which have been issued by a corporation. Both the amount authorized and the amount issued should be shown.

Certified

This term is usually observed in connection with a balance sheet and income account issued by a corporation. It signifies that the figures have been pronounced correct by the auditors signing the certificate.

Closed Mortgage

If no further mortgage bonds may be issued by a corporation on the same terms as an issue already made, then the existing issue is said to be a closed mortgage.

Collateral Bond

When an issue of bonds is secured by shares of stock or bonds of another concern (or concerns), such security is collateral security for the issue of bonds, and the latter are, therefore, known as "collateral bonds" or collateral trust bonds." The latter title involves the placing of the collateral, securities with a trustee, usually a trust company, which holds them in trust for the bondholders.

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	" Montreal	5,331
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	" New York	5,838
	" Montreal	6,421

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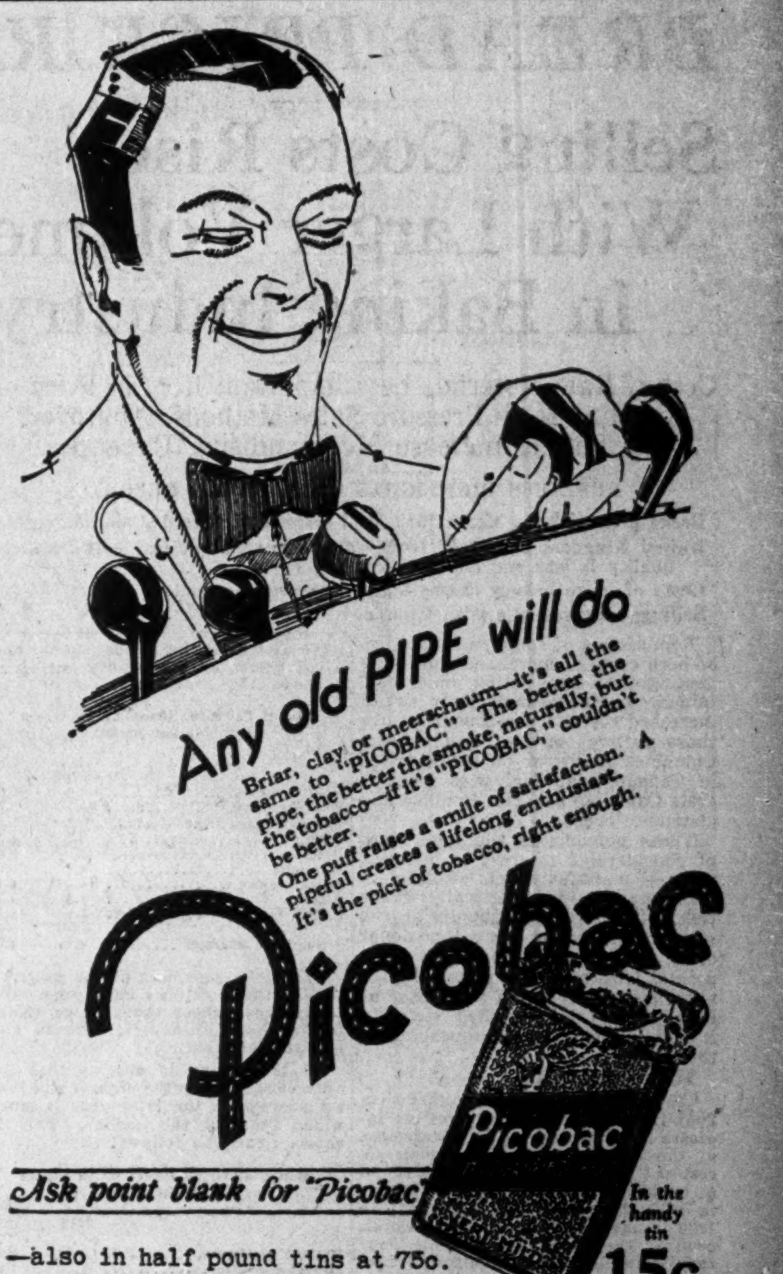
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BREAD PRICE REPORT SHOWS DISTRIBUTION COSTS IMPORTANT

Selling Costs Rise With Larger Volume In Baking Industry

Cost of Raw Materials Less Important Item in Price of Bread as High Pressure Sales Methods, Approved by Public, Increase Merchandising Expenses

BUSINESS HIGHLIGHTS FROM BREAD REPORT

Bread price today is above 1913 level because of high distribution costs.

United Kingdom buys loaf from Canadian wheat at less cost because quality is less and distribution costs lower.

Costs of large bakery chains higher than independents.

Selling expenses rise with volume.

Reminiscent of some recent studies of high costs of merchandising, suggesting that competition under certain circumstances may easily lead to increased costs to the consumer, are those portions of the report of the Combines Registrar on bread prices in Canada, that deal with what it costs Canadian bakeries to make and distribute bread.

These portions of the report are of considerable interest to business men — manufacturers, wholesalers and retailers—in practically every field. They will undoubtedly arouse widespread interest and will no doubt draw forth many opposing viewpoints. Most of the material provided by the report on this phase of bakery costs is published virtually in full in the extracts appearing in this article.

The report states:

"The fact that something other than flour is responsible for most of the increase is shown clearly by a statement of the spread between the wholesale cost of the flour used in making a pound of bread and the retail price of bread; in 1913 the spread was 2.3 cents; in 1930 it was 5.1 cents. In other words, even if the baker has got his flour for nothing in 1930 he would still have charged 5.1 cents a pound for his bread; in 1913 he would have charged only 2.3 cents."

New Types Offered

"Within the past two years some of the large Canadian bakeries, heeding the demand for a loaf more after the type of the English loaf and similarly inexpensive, have put out in a few cities a special bread in which they have used lower grade flour than in the first grade bread and reduced quantities of unessential ingredients. One of them estimated the difference between the cost of the ingredients in the two grades as just less than two-thirds of a cent per pound."

"The outstanding development in the cost end of the bread-baking industry in recent years has been the rise in selling expenses."

"One explanation of the exceptionally high distribution costs of the larger bakeries appears to lie in their use of high-pressure sales methods."

Volume Versus Prices

"Sales effort to secure volume has its economic justification when increased volume makes possible lower costs and lower prices. In the bread-making industry, however, while volume has been secured by a few large baking companies, the selling expenses involved in gaining this volume have been exceedingly heavy, and apparently have more than offset whatever may have been effected in the way of economies from large-scale production. Certainly there is no evidence here that increased volume means lower prices; the records show that it is the large bakeries that are the high-price bakeries."

"It is not a high weekly wage that raises the distribution cost per pound of bread; it is the excessive duplication of bakery routes and the requirement that the man who delivers the bread shall spend a large portion of his time selling other things that are more difficult to sell and canvassing for new customers for his firm."

"The big bakery cannot, of course, be held solely responsible for the system. There is little doubt that the demand of the public, or of some portions of the public, for something new to eat is one of the reasons back of the development of such sales methods."

Bread Price Followed Wheat

Discussing the charge that the rapid decline in wheat prices during 1930 was not accompanied by corresponding reductions in the price of bread, the report says:

"Bread prices did not come down proportionately in the early months of 1930, and that fact doubtless gave rise to most of the protests. But by December, 1930, they came to bear the same relationship to wheat prices as in January, 1929, the same indeed as in the first six months of 1929.

Thus the registrar makes no complaint as to bread prices in 1930 as compared with 1929 but he does have some comments to make on the rise in bread prices between 1913 and 1930, and these are what will chiefly interest business men.

Must Look Elsewhere

"The salient points in the comparison are these:—

	Wheat per bus.	Flour per bbl.	Bread per lb.
Yearly average:	c.	$	c.
1913	88	4.87	4.2
1930	94	6.41	7.5
December:			
1930	56	4.76	6.6

"These figures indicate that while both wheat and flour prices were lower at the end of 1930 than in 1913, bread prices were on a substantially higher level. The inference is that influences other than the price of either wheat or flour were at work, an inference which is justified by a more detailed study of the whole course of the three groups of prices.

"As to the explanation of the higher range of bread prices, there is unquestioned justification for the claim that the higher level of wholesale and retail prices generally is partly responsible for the discrepancy between 1913 and 1930. Prices generally are higher. The baker's dollar is as badly off in many respects as the so-called "consumer's dollar"; it will not buy, in 1930 or 1931, as many pounds of some of his raw materials, though of some it will, nor will it go so far in meeting many of the other expenses, as it did in 1913. A comparison of bread prices with other retail and wholesale prices shows that bread prices have not declined as rapidly as the others since 1920, when all three reached their highest level; but it also shows that other price levels are still high compared with 1913.

Flour Not Large Item

"Apart from this change in the general price level the main line of explanation of the divergence between 1913 and 1923 bread prices is to be found in factors other than wheat and flour.

"The difference in flour prices, which are the medium through which the influence of wheat makes itself felt, does not account for the difference in the two levels of bread prices, the one in 1913 and the other in the years 1925-1930. **The average price of flour for the latter six years was $7.65, an increase of $2.78 over the 1913 average of $4.87, or almost exactly enough to account for an increase of one cent a pound in the price of bread, assuming a yield of 270 pounds from a barrel of flour.**

"The price of bread thus far quoted is an average retail price for the Dominion. The following table shows how retail prices of bread have varied as between the provinces:

Retail Prices of Bread by Provinces
(Cents per pound)

	1913	1930 Dec.
	c.	c.
Nova Scotia	4.8	7.0
New Brunswick	4.3	7.5
Prince Edward Island	3.8	7.3
Quebec	3.7	5.5
Ontario	3.8	6.3
Manitoba	4.4	5.9
Saskatchewan	4.5	6.4
Alberta	5.2	7.2
British Columbia	5.1	8.1
Dominion average	4.2	6.6

"The four provinces at the extremities of the Dominion have practically always been above the average (Nova Scotia, New Brunswick, Alberta and British Columbia).

"It is striking to observe that the difference between the highest and lowest average in the later year is much wider than in the earlier. This is shown clearly as follows:

Range of Bread Prices by Provinces
(Cents per pound)

	1913	1930 Dec.
	c.	c.
Highest province	5.2	8.1
Lowest province	3.7	5.5
Difference	1.5	2.6

"The Dominion averages for January, 1929 and December, 1930, were 7.7c. and 6.6c. respectively, a reduction of 1.1c. per pound. This reduction has been shown to correspond with the reduction in wheat prices in the same period. In 45 out of the 69 localities, the price of bread dropped one cent per pound or more. In two cities they increased.

Canadian Loaf Good

"The foregoing references to prices of bread might appropriately be supplemented by a brief consideration of the content of the Canadian loaf. The formulas used for white bread by 158 Canadian bakeries (71 mill-controlled bakeries and 87 independents) have been examined with the view to ascertaining the proportions in which the different ingredients have geen generally used. The figures given by the bakers have been reduced in each case to one hundred pounds of dough, and an average has been taken of the quantities of each of the ingredients. The resulting composite formula is shown in the tabulation below:—

Formulas Used by Canadian Bakers, June, 1930

Ingredients:	Mill-controlled bakeries (71) (lbs.)	Independent bakeries (87) (lbs.)	All bakeries (158) (lbs.)
Flour	58.8	60.0	59.3
Salt	1.1	1.1	1.1
Sugar	1.1	1.0	1.1
Shortening	1.2	1.1	1.1
Milk or milk pdr.	1.5	0.9	1.3
Malt	0.6	0.6	0.5
Yeast	0.8	0.8	0.8
Yeast food	0.2	0.1	0.2
Water	34.5	34.4	34.6
Other	0.2	...	...
	100.0	100.0	100.0

The age-old topic of discussion—why bread made from Canadian flour sells for less in Britain than in Canada is thoroughly discussed:

"The difference between retail bread prices in Canada and the United Kingdom can be seen at a glance in the following figures, which include also prices in the United States.

Retail Prices of Bread per Pound

	United Kingdom	Canada	United States
	c.	c.	c.
1913	2.9	4.2	5.6
1930	4.3	7.5	8.6

"In both periods the American price is seen to be double the British price. In 1913 the Canadian price was practically midway between the other two, closer if anything to the British price; but in 1930 the Canadian price was almost within a cent of the American and more than three cents higher than the British.

British Baking Costs

The costs of Canadian and British bakers are compared, the British costs being for 1923 with the exception of flour, which is for 1929, and the Canadian costs being for 1929 throughout. This comparison shows total Canadian costs of 7.03 cents and British costs of 3.80 cents. An examination of the details reveals a difference of a third of a cent on flour, a half a cent on other ingredients, over half a cent on baking costs, over one cent on delivery and sale and half a cent on overhead. The report comments that the Canadian loaf is much richer than the British loaf and remarks that within the past two years some of the larger Canadian bakeries have put out in a few cities a special bread more after the type of the English loaf and that the difference in cost of ingredients between this loaf and the ordinary Canadian loaf is estimated as just less than two-thirds of a cent per pound. In greater detail the comparisons follow:

"In speaking of the cost of the flour in the loaf, the British Report of 1925 says:

"'The chief ingredient in the loaf is, of course, wheat flour, which accounts for approximately two-thirds of the total cost of manufacture and sale of bread.'

"In contrast to this, our records of Canadian costs show that in 1929 flour represented only a little over one-third of the total costs: 2.43c. out of total costs of 6.78c. per pound of bread. The lower percentage of Canadian flour costs is due not so much to there being less flour used in the Canadian loaf as to the fact that the costs other than flour are so much greater here than in Great Britain. In Canada in 1929 costs other than flour amounted to 4.35c., while in Great Britain in 1923 they amounted to 1.36c.

"Lower baking costs account for another part of the difference between British and Canadian bread prices. The comparison is seen in the following table, British figures being based on the 1925 report, Canadian on the returns received during the present inquiry:

Baking Costs—Canada and United Kingdom
(Per pound of bread)

	Canada 1929 cents	United Kingdom 1925 cents
Labor baking costs	0.70	0.40
Wrappers and wrapping	0.16	
Other baking costs	0.31	0.24
Total baking costs	1.17	0.64

"In other words the Canadian public pays an additional half cent a pound because baking costs are higher than in the British Isles. That bakery wages are lower in the Old Country than here is indicated by official returns in both countries.

"The wrapping of bread is a fairly substantial item in Canadian baking costs which hardly appears in the costs of British bakers.

"The difference between British and Canadian costs of delivery and sale appears to amount to well over one cent per pound of bread. One comparison is seen in the following:

Cost of Delivery and Sale
(Per pound of bread)

United Kingdom, Jan., 1925	0.61 cent
Canada, 1929	1.65 cent

"A comparison of overhead costs in Canada and the United Kingdom is difficult to make. Roughly, the overhead expenses of the British baker for 1923 work out at .17 cent per pound of bread, whereas in Canada in 1929 the average was over four times as much, or .77 cent.

"Net profit is another item which cannot be exactly determined on the basis of such figures as have been compiled. The Report of the Linlithgow Committee showed the net profit of the large bakeries to be .11 cent per pound, of the smaller bakeries .22 cent, and of the wholesale bakeries .26 cent. In Canada the difference between costs and selling price as given by Canadian bakers for 1929 is .25 cent per pound.

"The following table summarizes the above comparisons, Canadian costs (with the exception of flour) being represented by figures for 1929 received from 119 bakeries, and British costs (with the exception of flour) by 1923 figures from the Linlithgow Report:

Comparison of Canadian and British Bread Costs
(Per pound of bread)

	Canada 1929 cents	United Kingdom 1923 cents
Flour	2.71	2.44
Other ingredients	0.76	0.19
Baking costs	1.17	0.48
Delivery and sale	1.65	0.52
Administration	0.77	0.17
Total costs	7.06	3.80

Bread Costs in Canada

Discussing baking costs in Canada the report says in part:

"Comment might properly be made on the lack of exact information concerning costs on the part of many of the bakeries, particularly the smaller ones. Many of them apparently keep very incomplete records, and are unable to give a detailed analysis of their costs. The time and expense involved for a small business no doubt accounts for this lack of detail.

"The average costs of making and selling bread, based on the returns from the 119 bakeries, appear in the following analysis:

Average Costs per Pound of Bread, Canada

	1929 cents	1930 (first six months) cents
Flour	2.43	2.56
Other ingredients	0.76	0.74
Baking costs	1.17	1.19
Delivery and sale	1.65	1.66
Administration	0.77	0.80
Total costs	6.78	6.95

"It is to be noted that these costs are averages. The range between highest and lowest was considerable. Of the 119 bakeries, three reported costs of nine cents per pound and upwards and five reported costs under five cents. The great majority reporting came between six and eight cents.

Flour Costs

"According to the returns we have received from 119 bakers for 1929, they actually paid for flour in 1929 an average of 2.43c. per pound of bread. Flour costs therefore represent only 36 per cent of all bread costs in 1929. The fact is that, as an item in the baker's expenses, flour has been becoming less and less important in the modern loaf of bread. Little in the way of cost statistics of pre-war years is available, but the evidence of prices is that in 1913 flour represented 43 per cent of the retail price, whereas in 1930 it was only 31.6 per cent.

"Examining flour costs by types of bakery, one would expect to find that the bakeries which are controlled by the flour milling companies, by reason of their mass purchasing of flour from one company, could buy at such low prices as would enable them to make an appreciable saving in costs on account of flour alone. The evidence of the bakers' returns shows, however, that neither in 1929 nor in the first six months of 1930 was there any difference between the average flour costs of the mill-owned bakeries and of the large independents. In 1929 the smaller independents paid for the flour used in a pound of bread exactly a fifth of a cent more than the mill-owned bakeries paid, but in the first half of 1930 they paid only a fourteenth of a cent more (.07c.) per pound of bread. The comparison is shown thus:

Cost of Flour by Types of Bakery
(Per pound of bread)

	Number of bakeries	1929 cents	1930 (six months) cents
Mill-controlled bakeries	76	2.38	2.55
Large independents	12	2.39	2.56
Smaller independents	31	2.58	2.62
Total bakeries	119	2.43	2.56

Cost of Other Ingredients

"One reason for the lessened importance of flour as an item in modern bread costs is that nowadays less flour goes into a batch of bread than in the earlier period, less flour but more of other ingredients such as sugar and milk. The difference in richness between the 1913 and 1930 loaf is not, however, sufficient to explain more than a small difference in cost. Our 1929 records show that the cost of these other ingredients was 0.76c. per pound of bread, an increase of slightly over one-third of a cent to the pound.

"Baking costs, as recorded above, amounted in 1929 to 1.17c. per pound of bread. Included in this item are three subdivisions, and the amounts chargeable to each are:

(Cents per pound of bread)

Wages	0.70
Wrappers and wrapping	0.16
Other baking costs	0.31
Total	1.17

"According to this statement, the cost of wrappers and wrapping comes to .16c. per pound of bread. Since this average includes accounts from some bakers who do not wrap bread at all, and from others who wrap but little, it should not be taken as indicating the wrapping cost of the individual baker.

"The average baking costs of the mill-controlled bakeries and the larger independents are substantially lower than those of the smaller independents, and this in spite of the fact that bakery wages in the larger plants are higher than in the smaller, as indicated above. Doubtless much of the difference between these costs is to be found in the greater use of machinery where the volume of production is high, and in the more efficient running of the larger plants under more modern methods. The differences in the costs of the several groups are shown in table form:—

Baking Costs by Types of Bakery
(Per pound of bread)

	1929	1930 6 months
	c.	c.
Mill-controlled bakeries	1.06	1.10
Large independents	1.04	1.00
Smaller independents	1.47	1.51
Total bakeries	1.17	1.19

"It is frequently stated that high wages are the cause of high bread prices. It is difficult to secure decisive tests owing to the lack of comparative figures over a period of years.

Delivery and Sale Costs

"The outstanding development in the cost end of the bread-making industry in recent years has been the rise in selling expenses. In the first half of 1930 the average cost of delivery and sale, according to the returns of 119 bakeries, was 1.66c. Few comparable records for earlier years are available, but a comparison of the present returns of five Montreal bakers with their statements in the 1925 bread enquiry (only five are comparable) indicates that distribution costs were increased in the case of four plants (from 1c. to 1.98c. per pound of bread, from 1.30c. to 1.97c., from 1.99c. to 2.36c., and from 1.04c. to 1.80c.). In the other instance distribution costs decreased from 2.03c. to 1.91c. Another indication of this trend is the fact that in 1913 all items of cost other than flour mounted to less than 2.4c. (flour cost 1.8c. and bread sold at 4.2c.). What the average of 1.66c. per pound in 1930 means is that the Canadian consumer, buying a pound-and-a-half loaf for, say, 10 cents, paid 2½ cents to cover the baker's sale and delivery expenses.

"Getting away from the Dominion average and taking Toronto costs alone, which are unusually high, the Toronto housewife paid not 2½c. but 3½c. to have a 24-ounce loaf sold to her and delivered to her kitchen. One Toronto baking company reported its delivery and sales costs in 1929 as amounting to 5.13c. per 24-ounce loaf.

"These figures represent wholesale and retail costs combined. If retail costs were separated (and they cannot be on the basis of the figures secured) the cost of retail delivery and sale would be shown as still higher. Moreover (the figure of 1.66 cent for the Dominion is an average of all three types of bakery: the mill-controlled bakeries, whose output far exceeds that of all the other bakeries reporting, 1.90 cent for 1930, as shown in the following summary:

Cost of Delivery and Sale by Types of Bakery
(Per pound of bread)

	1930
	c.
Mill-controlled bakeries	1.90
Large independents	1.87
Smaller independents	1.01
	1.66

"One explanation of the exceptionally high distribution costs of the larger bakeries appears to lie in their use of high-pressure sales methods. They have, to begin with, a productive capacity which in most instances is greater than their market. The plant of the Canada Bread Company in Ottawa, for instance, or of the Standard Bread Company, either one, could produce more bread than is eaten by all the people in the city. More than that, there are at least twenty-five other bakeries doing business in Ottawa, a number of them giving city-wide delivery service. Naturally if a bakery is to approach capacity, it must have a highly effective selling force in the face of such competition. But ordinarily it is not competition in price which characterizes the efforts of the larger bakeries to secure business. Price competition would be effective in keeping costs down; but the competition in quality, in service and in sales promotion which has been substituted has had just the opposite effect of tending to increase costs and therefore to enhance prices and keep them up. Here is one instance where competition (not price competition, it is to be noted) operates to the disadvantage of the public. All the arts of modern salesmanship have been put to use—extensive and expensive advertising campaigns, special delivery services, credit, feature breads of fancy shapes or fancy ingredients—all designed to secure volume. Sales effort to secure volume has its economic justification when increased volume makes possible lower costs and lower prices. In the bread-making industry, however, while volume has been secured by a few large baking companies, the selling expenses involved in gaining this volume have been exceedingly heavy, and apparently have more than offset whatever may have been effected in the way of economies from large-scale production. Certainly there is no evidence here that increased volume means lower prices: the records show that it is the large bakeries that are the high-price bakeries.

"One of the biggest items in modern sales costs in Canada, as in the United States, is represented by wages and commissions to deliverymen, or salesmen as they are now usually designated. That this is recognized generally by the trade, in the United States and in Canada, is illustrated by the following quotation from a recent article in "The Northwestern Miller":

"'Actually, the backbone of all bakery sales work is that done by the route men. They are in constant contact with their trade, and in the final analysis it is upon them that the entire sales structure rests.'

Driver Now Salesman

"The change in designation from deliverymen to salesmen is significant. Years ago the practice was to pay a weekly wage to a 'driver' whose duty was to deliver bread. This system has not been completely outmoded, but another practice has grown up, principally in the larger centres, of paying a commission on sales—and the salesman's business now is, not merely to deliver, but to get business, frequently at the expense of rival bakeries; and not only to sell bread, but to sell cakes and pastry as well. A commission of 15 per cent on a ten cent loaf of 24 ounces means 1½ cent. In England in 1923 the entire cost of distribution was only a third of that amount. Selling, say, 300 loaves a day, perhaps 200 retail and 100 wholesale, a salesman will net $3.60 on his day's bread sales, and he has besides a further income from his sales of cake and pastry. The point is not that these men are getting too much for their services (they are probably getting only a moderate wage) but rather that they are being used, not as deliverers of bread, but as part of an aggressive sales organization which has proven decidedly expensive. The addition of sales work to their duties and of cakes and pastry to their stock-in-trade has added greatly to the cost of the delivery function, which used to be the only function of the 'driver' of the bread-wagon.

"Administration and other overhead costs may be summarized briefly as follows:—

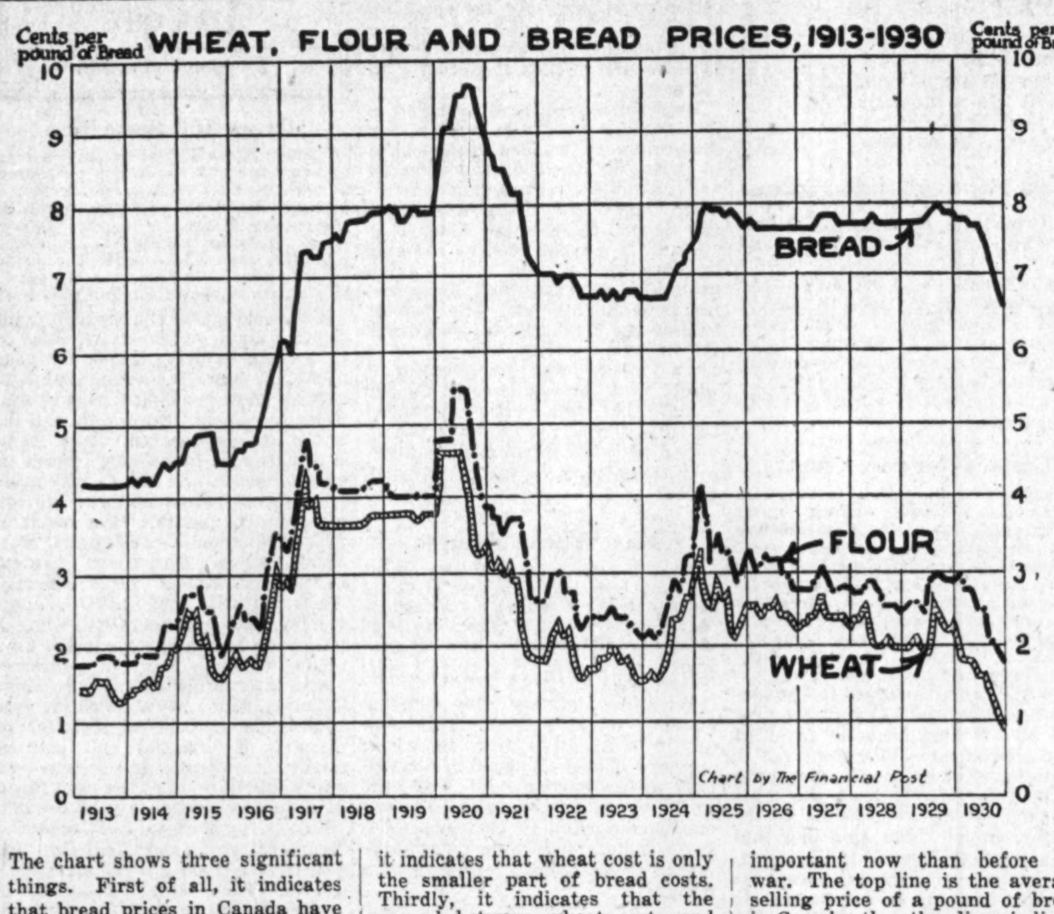
Overhead Costs by Types of Bakery
(Per pound of bread)

	1929	1930 6 months
	c.	c.
Mill-controlled bakeries	0.84	0.86
Large independents	0.71	0.67
Smaller independents	0.61	0.70
Total bakeries	0.77	0.80

"Bringing together the average of all the items of cost as they have been submitted by 119 Canadian bakers for the year 1929, a more comprehensive statement is here submitted, showing more details within each item of cost and still reporting separately the three different types of bakery:—

Summary of Costs of Making and Selling Bread, Canada, 1929, by Types of Bakery
(Cents per pound of bread)

	Mill-controlled bakeries	Large independents	Smaller independents	All bakeries
Number of bakeries reporting	(76)	(12)	(31)	(119)
	c.	c.	c.	c.
Flour	**2.38**	**2.39**	**2.58**	**2.43**
Other ingredients	**0.78**	**0.87**	**0.69**	**0.76**
Baking costs—				
Wages	0.59	0.52	1.02	0.70
Wrappers and wrapping	0.14	0.13	0.24	0.16
Other baking costs	0.33	0.39	0.21	0.31
Total baking costs	**1.06**	**1.04**	**1.47**	**1.17**
Delivery and sale—				
Wages and commissions	1.11	1.16	0.73	1.02
Other delivery costs	0.59	0.59	0.23	0.50
Advertising	0.12	0.14	0.02	0.10
Other selling costs	0.04	0.02	0.06	0.03
Total delivery and sale costs	**1.86**	**1.91**	**1.04**	**1.65**
Overhead—				
Management and office	0.45	0.31	0.25	0.38
Interest	0.07	0.14	0.02	0.07
Other overhead	0.32	0.26	0.34	0.32
Total overhead	**0.84**	**0.71**	**0.61**	**0.77**
Total costs	**6.92**	**6.92**	**6.39**	**6.78**



The chart shows three significant things. First of all, it indicates that bread prices in Canada have followed the general trend of wheat and flour prices. Secondly, it indicates that wheat cost is only the smaller part of bread costs. Thirdly, it indicates that the spread between wheat costs and selling costs has widened in recent years and that wheat cost is less important now than before the war. The top line is the average selling price of a pound of bread in Canada; the other lines indicate the cost of the wheat and flour required to make a pound of bread.

CHAIN STORES CUT DEEPLY INTO PROFITS OF MILLER BAKERIES

(Continued from page 1)

interested in individual bakeries almost as long as baking has been practised in a commercial way. But the Maple Leaf Milling Company entered the field in a large way on September 1, 1925, when through Canadian Bakeries, it acquired a group of bakeries in Western Canada. It has since taken over or organized three other bakery chains: the Canada Bread Co., which first appears as a subsidiary in 1928; Dominion Bakeries, in the same year; and, more recently, Eastern Bakeries, in the Maritime Provinces.

Three Other Groups

"The Lake of the Woods Co. controls the Inter City Baking Co. which operates in Central Canada, and the Inter City Western Bakeries, with branches west of the Great Lakes. The first of these was incorporated and came under the control of the Lake of the Woods Company in November, 1927; the western bakeries were acquired early in 1929.

"The chief baking interests of the Ogilvie Flour Mills Company are managed by Consolidated Bakeries, incorporated in 1928, which in turn controls Northern Bakeries. The plants in this group are located in Montreal and Ontario. Recently a new chain of five bakeries has been taken over in Western Canada under the name of McGavin Bakeries. This company is to be distinguished from McGavin, Ltd., which operates bakeries in Edmonton and Vancouver. The Ogilvie Co. states that in McGavin, Ltd., it has only a small financial interest which does not amount to control.

"The bakeries of the Western Canada Flour Mills Co. are controlled through the Purity Baking Co., Toronto, which has eight branches in that and neighboring cities, two in Montreal, and four in the Western Provinces.

Methods of Control

"The method of control exercised by the milling companies over their baking companies varies. The control over Consolidated Bakeries rests with three preferred management shares, two of which are held by the president and the secretary of the Ogilvie Co. These three shares carry the right to appoint the board of directors. In the case of Lake of Woods it held, in 1930, 10,000 out of 21,070 no par common shares issued by Inter City Baking, and 88 per cent of the common stock of Inter City Western. Maple Leaf's control over Dominion Bakeries, is through ownership of a majority of its second preferred and common stocks. The entire capital stock of Purity Baking is controlled by Western Canada Flour.

Dominant in Communities

"Some idea of the part which the mill-controlled bakeries are taking in the manufacture of the bread of the Dominion is given by their total output compared with the estimated consumption of bakers' bread in Canada. According to the records of the Dominion Bureau of Statistics for 1929 the quantity of bread manufactured by the bakers of the Dominion for that year amounted to 835,794,310 pounds. Measuring this against the officially estimated population of the Dominion for 1929 (9,796,800) the Bureau's estimate of the per capita consumption of bakers' bread for that year was 85.3 pounds. The statements of the mill bakeries give their total production for 1929 as 317,819,277 pounds of bread. On this basis, 38 per cent of the bread sold in Canada in 1929 was produced by 76 mill bakeries.

"As, however, these bakeries have plants in only 54 communities, their output should be measured, not against the total production of bakers' bread for the Dominion, but against the market for bread of these particular places, making due allowance for out-of-town trade. According to the latest estimates available, the population of the 54 communities in 1929 was 3,192,280, not far below one-third of the Dominion's population. Their estimated consumption of bakers' bread on the basis of 85.3 pounds per person, was therefore 272,301,484 pounds. The sales of bread reported by the mill bakeries in these cities in 1929 were 317,819,277 pounds. Estimating 80 per cent of these sales as city sales, the production for the 54 cities and towns stands at 254,255,422 pounds, or 93½ per cent of the entire business of the communities in which they operate.

Capacity Three Times as Great

"The above figures refer to the actual output of bread of the mill-controlled bakeries in 1929. The total capacity of 72 of their plants (again according to their own statements) is 892,679,000 pounds a year, or nearly treble their output, or over 50,000,000 pounds in excess of the 1929 total bread sales reported for the whole Dominion.

"Six mill-controlled bakeries in Montreal, for instance, with an aggregate yearly capacity of 163,236,000 pounds of bread, could supply four-fifths of the bread sold throughout the whole province of Quebec. The total of all bread sold in Montreal alone, based on population of just over a million, would be only 87,914,000 pounds.

"Six of Toronto's seven mill-controlled bakeries reported capacity of 202,389,000 pounds a year. City purchases amount annually to only 65,581,000 pounds, taking the estimated population of 804,000. In fact the whole of Ontario bought in 1929 only 403,000,000 pounds.

"Winnipeg's three mill-controlled bakeries have capacity enough (77,542,000 pounds a year) to supply the whole province and more, estimating the annual provincial consumption of bakery bread as 57,000,000 pounds. The city of Winnipeg alone, with an estimated population of 192,000 buys only 16,377,000 pounds a year.

"Vancouver has four mill-controlled bakeries, with estimated capacity of about 50,000,000 pounds, almost enough to meet the total purchases of the province, which are estimated at 58,668,000 pounds. Vancouver itself, with a population of 238,885, buys only about 20,377,000 pounds.

Urge to Competition

"One effect of this factor of surplus capacity which has a bearing on the present enquiry is that it keeps before the management the constant necessity of increasing sales, and thereby leads to the aggressive sales policies which add so considerably to cost and benefit the general public so little. Most of this expensive sales effort is designed not so much to increase the consumption of bread as to persuade customers of rival concerns to "change bakers." This can hardly be called a social benefit. The big bakery cannot be held solely responsible for the system. There is little doubt that the demand of the public, or of some portions of the public, for something new to eat is one of the reasons back of the development of such sales methods. This desire for change is capitalized by the shrewd sales manager; new varieties of bread are advertised under 'catchy' names as being made by the latest scientific processes and as containing the last word in nutritive value; new shapes are turned out, bread ready sliced is introduced and special delivery services added, all in an effort to retain old customers and gain new ones from competitors.

Delivery More Than Flour

"It is significant that in the city of Toronto, where this kind of competition has been particularly keen in recent months and years, the cost of delivery and sale in 1929, amounting to 2.45c per pound of bread, was higher than the cost of flour. This is the kind of expensive competition to which we have become accustomed in connection with such articles as motor cars, radios, washing machines, with their constantly changing models, articles on which sales costs are high because of the time, ability and effort usually needed to complete a sale. There is less to be concerned about when this kind of competition is brought to bear upon non-essentials. But it is not desirable that bread, as one of the most important of the necessaries of life, should be brought within this category. It does not require such selling efforts: the consumer does not need to be persuaded to buy bread, and should not be called upon to pay for one baker's efforts to persuade the public to buy from him rather than from a competitor.

Outlet For Flour

"Under the new relationship between the flour milling company and its bakery subsidiaries, purchases of flour are naturally made from the parent company. Our records show that in 1929 the mill-controlled bakeries purchased in all well over a million barrels. Moreover, this million barrel market was held by only four milling companies, and represented an eighth of the entire consumption of flour in Canada in 1929. These milling companies are thus provided with an assured demand for a large portion of their products, and consequently should be able to reduce considerably their sales costs. One decided advantage to the mills is that there is no competition for this business, price competition or any other kind. There is no sales resistance here to be overcome, and the subsidiary baking company is no longer in a position to bargain effectively as to price.

Price Difference Slight

"Considering the difference in quantities purchased, the comparatively slight difference in the flour prices paid by the mill-controlled bakeries and the independents is rather striking. Here is one organization, for instance, which bought over 300,000 barrels of flour in 1929 at an average price of $6.79 per barrel. A small bakery doing business in the same province and buying less than two thousand barrels of flour of the same grades, part first and part second patents, now from one mill and now from another, paid an average of $6.35 for its supply in 1929.

"Since for the most part the milling company gains what its baking subsidiary loses through high prices of flour, the buyer for the mill-controlled bakery is not under the usual pressure to keep his flour costs down. He is now in the employ of the mills and is not free to turn to other mills for his flour supplies. On the other hand the sales manager of the milling company is anxious to make a good showing for his department and will hardly be expected to favor the bakery as against his own selling company; he can quote what prices he likes, since he has no competitor. It is true that the ability of the milling companies to pursue such a policy would depend largely on the extent to which stock ownership in parent companies and subsidiaries coincided. Shareholders in the baking companies who held no shares in the milling companies would be restive under a reduction in bakery profits. Still in some instances at least the shareholders in the two companies are much the same.

Disadvantage to Independents

"One group that would suffer from such a policy would be, of course, the independent bakeries. They, too, would have to pay the higher price for flour, but in their case there would be no affiliated concern to profit by the losses they might sustain. As competitors they would be placed at a decided disadvantage.

"As far as price competition in the ordinary course is concerned, the independents probably have little to fear from the mill-controlled bakeries, because the prices of the latter group are seldom if ever found to be below their independent competitors. They are more frequently above, the better price being asked on claims of better quality and service. The independents might have occasion to fear price competition from this source if they themselves cut in on the sales of the mill bakeries by means of price reductions. Within recent weeks representations have been received from different parts of the Dominion to the effect that mill-controlled bakeries had threatened to sell bread below cost if certain independents persisted in selling at prices which, according to the claim of the mill bakeries, were below cost. There has not been opportunity to follow up these complaints, except in one instance, namely, in Peterborough; but the point raised suggests a very natural interest on the part of the mill bakeries in the price of their competitors, and a temptation to exercise a measure of control over them.

"It is difficult to conceive of such measures being effective so long as there exists such competition as that of the chain stores, some at least of which have been selling bread at cost or even below cost.

Price Competition Wanes

"There are evidences that the effectiveness of the price competition of independent bakeries in many centres is waning. In volume of sales they are completely overshadowed by the mill-controlled bakeries. In point of numbers they appear to be strong, 2,482 bread-baking establishments reporting to the Bureau of Statistics in 1928, the latest year for which such returns are available. The number of them, however, is not by any means a fair index of their competitive importance. For the most part in normal times the larger bakeries have set the price and the rest have followed: were obliged to follow when prices fell, and were only too glad to follow when the big bakeries saw fit to advance. There have been notable exceptions, however, and after all it takes only a few bakeries operating at low costs and seeking business on a price appeal, to create a very disturbing influence. Such a disturbance can be very useful as a means of calling public attention occasionally to the matter of price; but it can be carried to extremes of selling below cost with no ultimate advantage to the public, possibly in the end more injury than benefit.

Chain Store in Picture

"Within recent months forms of competition have appeared which make it difficult for the mill-controlled bakeries to sustain prices at unduly high levels. The same tendency toward centralization of industry which is seen in the consolidation of bakeries and their control by flour-milling companies is to be observed also in the entrance of the chain store into the bakery business. On the one hand we have the flour mills reaching forward into bread manufacture and distribution; on the other hand we have the chain store, primarily a retail distributing organization, reaching back into manufacture—the two meeting on the common competitive ground of the bread-baking industry.

"Returns on bakery costs were secured in this enquiry from the larger chain store companies which also operate bakeries. Our records include six such bakeries operating in Canada, two in the Province of Quebec, three in Ontario, and one in Manitoba. These bakeries represent three separate chains, all of which have furnished information concerning their costs and prices, one of them for 1930 only. Unfortunately these records cannot very well be used alongside the returns of the other types of bakery in our comparisons. Apparently the methods used in apportioning costs to the different items and to the bread end of their business generally are not the same with each chain store bakery, and without a close examination of the books of all of them their costs cannot be brought to a commo nbasis which would make them comparable with the costs of other types of bakery.

Chain Costs Lower

"While their total costs cannot for this reason be readily compared, comparisons of the cost of ingredients can be quoted on a comparable basis, using the 1930 averages only. The flour which these six chain store bakeries used in a pound of bread in the first six months of 1930 cost them 2.48 cents as compared with the average price of 2.56 cents paid by the other types of bakery. For other ingredients the chain store bakeries averaged .68 cent, while the others averaged .74 cent. In both cases the costs of the chain store bakeries were only fractionally lower than those of their competitors.

Serious Problem For Bakeries

"Turning to the retail prices of these chain stores, it is apparent that the price competition which they have introduced during 1929 and 1930 has created a serious problem for the larger bakeries. If the prices of the chains covered all their own costs of manufacture and seling, the problem would be much less difficult than it is. In the case of two of these chain groups no losses on account of bread sales are recorded, that is comparing receipts on bread sales with the costs which they have apportioned as properly chargeable to bread. Another group reports selling prices in the first half of 1930 as approximately three-quarters of a cent a pound below its own recorded costs, leaving net profits out of account. The selling prices of all the groups show differences of only three-tenths of a cent a pound; but their costs show the widest divergence: a difference between the highest and the lowest cost of 2¾ cents a pound, and between the highest and the medium cost of 1¾ cents. A large part of the difference is found to be in distribution and overhead costs. It may be that in one instance too much has been charged against bread, and that in another too little. In any event such records cannot be used freely without the closest checking. If one were to take the statements just as they have been given, it would appear that about half of these chain stores were selling below cost and about half above cost.

Sell Bread at Loss

"The above returns have been supplemented by the records of seven other chain store companies which are not engaged in the baking business, but which buy their bread from local and other bakeries. In practically all of these stores bread was sold at a profit, or at least at prices higher than those actually paid the baker for the product. There were a few exceptions, however, where bread was sold at cost or below, doubtless as a "leader," the loss being charged to advertising account.

"On the other hand, where costs of the larger bakeries appear to become unduly high, and where little evidence of price competition is apparent, an extreme form of price-cutting may serve a highly useful public purpose in forcing reductions in costs. Certainly any experiment which shows possibilities of eliminating the admitted wastes of modern distributive methods, in the bread business as in many other lines, is much needed and is certain to be welcomed."

List of Bakeries

The list of controlled bakeries is given as follows. Only bakeries now operating are included:

LAKE OF THE WOODS MILLING CO.

Inter City Baking Co., Montreal (6 bakeries):
Standard Bread (Montreal), Montreal.
A. & L. Strachan, Montreal.
Hawkesbury Bakery, Hawkesbury, Ont.
Standard Bread Co., Ottawa.
Renfrew Cash Bread, Renfrew.
Brown's Bread, Toronto.

Inter City Western Bakeries, Winnipeg (9 bakeries):
Speirs Parnell Baking Co., Winnipeg.
Clifton Bakery, Moose Jaw.
Crown Bakery, Regina.
Saskatoon Bread, Saskatoon.
Weyburn Bread Co., Weyburn.
Golden West Bakery, Calgary.
Medicine Hat Baking Co., Medicine Hat.
Cowan Dodson Bakeries, Vancouver.
Rennie and Taylor, Victoria.

MAPLE LEAF MILLING CO.

Canada Bread Co., Toronto (11 bakeries):
Canada Bread Co., Montreal.
Canada Bread Co., Brantford.
Canada Bread Co., Galt.
Canada Bread Co., Hamilton.
Canada Bread Co., London.
Canada Bread Co., Ottawa.
Canada Bread Co., Avenue Road, Toronto.
Canada Bread Co., Bloor Street, Toronto.
Canada Bread Co., Danforth Ave., Toronto.
Canada Bread Co., Walkerville.
Canada Bread Co., Winnipeg.

Canadian Bakeries, Winnipeg (15 Bakeries):
Canadian Bakeries, Moose Jaw, Sask.
Canadian Bakeries, North Battleford.
Canadian Bakeries, Prince Albert.
Canadian Bakeries, Regina.
Canadian Bakeries, Saskatoon.
Canadian Bakeries, Swift Current.
Canadian Bakeries, Yorkton.
Canadian Bakeries, Calgary, Alta.
Canadian Bakeries, Edmonton.
Canadian Bakeries, Lethbridge.
Canadian Bakeries, Nanaimo.
Canadian Bakeries, New Westminster.
Stevenson Bros., Vancouver.
Canadian Bakeries, Vancouver.
Canadian Bakeries, Victoria.

Dominion Bakeries, Toronto (15 bakeries):
Dominion Bakeries, Belleville.
Dominion Bakeries, Brantford.
Dominion Bakeries, Chatham.
Dominion Bakeries, Cobourg.
Dominion Bakeries, Cornwall.
Dominion Bakeries, Guelph.
Dominion Bakeries, Kingston.
Dominion Bakeries, Ottawa.
Dominion Bakeries, Owen Sound.
Dominion Bakeries, Pembroke.
Dominion Bakeries, St. Catharines.
Dominion Bakeries, Sarnia.
Dominion Bakeries, Stratford.
Dominion Bakeries, Wallaceburg.
Dominion Bakeries, Windsor.

Eastern Bakeries, St. John (8 bakeries):
Eastern Bakeries, New Glasgow.
Eastern Bakeries, Sydney.
Eastern Bakeries, Bathurst.
Eastern Bakeries, Campbellton.
Eastern Bakeries, Fredericton.
Eastern Bakeries, Moncton.
Eastern Bakeries, Saint John.
Eastern Bakeries, Sussex.

OGILVIE FLOUR MILLS CO.

Consolidated Bakeries, Toronto (13 bakeries):
James M. Aird, Montreal.
Dent Harrison and Sons, Montreal.
James Strachan, Montreal.
Palmer Baking Co., Chatham.
Ideal Bread Co., Hamilton.
Neal Baking Co., London.
Stocks Bread, Peterborough.
Neal Baking Co., St. Thomas.
Noris Brothers, St. Thomas.
Neal Baking Co., Sarnia.
Ideal Bread Co., Toronto.
Nasmiths, Toronto.
Neal Baking Co., Windsor.

McGavin Bakeries, Edmonton (5 bakeries):
McGavin Bakeries, Moose Jaw, Sask.
McGavin Bakeries, Regina.
McGavin Bakeries, Saskatoon.
Western Bakery, Lethbridge, Alta.
Golden West Bakery, Victoria, B.C.

WESTERN CANADA FLOUR MILLS

Purity Baking Company, Toronto (14 bakeries):
Brosseau, Montreal.
Sanche Cardinal, Montreal.
Jackson's Bread, Hamilton.
Purity Bakeries, Kingston.
Purity Bakeries, Lindsay.
Jackson's Bread, London.
Purity Bakeries, Peterborough.
Jackson's Bread, Simcoe.
Jackson's Bread, Tillsonburg.
Purity Bread, Toronto.
Bryce Bakeries, Brandon.
Bryce Bakeries, Winnipeg.
Model Bakery, Calgary.
Robertson's Bakeries, Vancouver.

EASTERN TRUST REPORTS PROFITS OF 8.7 PER CENT

Guaranteed Account Grows in Year—Dividend is Maintained

Eastern Trust Co., Halifax, in 1930, reports earnings of $87,386, or 8.7 per cent on the capital of $1,000,000, compared with $111,554, or 11.1 per cent in the previous year. The 1930 earnings, however, were higher than those of 1928 or 1927. The 8 per cent dividend was continued. Reserve fund remains at $200,000.

Deductions from profit and loss before calculating amount available for dividend includes $16,182 in writing down assets, $20,000 written off office premises and $16,000 for taxes. Hon. W. A. Black, president, remarks that the company's own premises now are occupied in Moncton and Charlottetown.

Investment Account Up

Estates, trusts and agencies account stands at $43,195,474, compared with $44,592,994 a year ago. Details of this account are given and all items show an increase excepting call loans, which total $2,227,805, compared with $4,873,038 a year ago. Mr. Black notes that there was an actual increase in estates, trusts and agencies of $1,249,745.

Guaranteed investment account is up from $2,777,848 to $2,975,600. These are secured by government and municipal bonds to the amount of $611,489 compared with $738,491 a year ago; by mortgages of $1,727,160, compared with $1,594,545; by loans against collateral of $281,198, compared with $352,862; by accrued interest of $18,096, compared with $17,281; and by cash of $337,657, compared with $74,669 a year ago.

Company funds are up slightly, from $1,252,693 to $1,258,535. The principal changes are a decrease in real estate held for sale from $276,999 to $198,337 and an increase in the investment in office premises from $85,000 to $147,481.

Following is the record of the company in recent years:

Earnings Record

Year	Paid-up Capital	*Profits	Earn. %	Div. Rate
1922	$1,000,000	$93,394	9.3	10
1923	1,000,000	92,879	9.2	10
1924	1,000,000	100,856	10.9	10
1925	1,000,000	91,699	9.1	8½
1926	1,000,000	79,532	7.9	8
1927	1,000,000	80,661	8.0	8
1928	1,000,000	81,083	8.1	8
1929	1,000,000	111,554	11.1	8
1930	1,000,000	87,386	8.7	8

*Less tax reserve, directors' fees and amounts written off.

Petitcodiac Tidal Power Reports Progress at Meeting

From Our Own Correspondent

MONTREAL.—Negotiations are still going on with a view to the actual development of a hydro-electric project by the Petitcodiac Tidal Power Development Co., according to the report presented to the shareholders at the annual meeting. The project being a large one, necessarily much time must be occupied in preliminary detail work, the meeting was told, but the company is hopeful that in the near future something of a tangible nature will be accomplished, as the correspondence with outside interests was of an encouraging nature.

The following directors were elected at the annual meeting: Hon. C. W. Robinson, Captain J. E. Masters, J. F. Edgett, A. C. Chapman, A. E. McSweney, A. J. Tingley, F. R. Sumner, and O. L. Barbour, of Moncton; A. P. Paterson, of Saint John; W. R. Turnbull, of Rothesay; E. R. McDonald, of Shediac, and Hon. F. B. Black, of Sackville; Hon. C. W. Robinson was re-elected president; F. R. Sumner, vice-president, and Captain J. E. Masters, secretary-treasurer.

Plan Stock Dividend For Britsh Mortgage

At the annual meeting of British Mortgage & Trust Corp., held at Stratford, Ont., on February 12, Hon. Nelson Monteith, president, announced a special stock dividend, but refrained from giving details, saying that the particulars would be sent to shareholders in the near future.

British Mortgage has a reserve of $1,000,000, contrasted with a paid-up capital of $800,000. The annual report for 1930, which was reviewed in the January 29 issue of The Financial Post, showed earnings of 19.1 per cent per cent of the paid-up capital of $782,700 as at December 31. Dividends since 1924 have been 12 per cent with two per cent bonus.

W. H. Gregory, managing director, remarked that the corporation, while, confining its operations to Stratford and surrounding country, has 7,900 separate savings accounts.

SHERBROOKE TRUST EARNS 11.6 PER CENT

Moderately Less Than Previous Year—Savings Are Higher

A moderate reduction in profits after income tax are reported by Sherbrooke Trust Co. for the year ended September 30, 1930. Net of $34,875, is 11.6 per cent on the capital of $300,000, compared with $36,640, or 12.2 per cent for the previous year. Dividend of 6 per cent was continued. Reserve stands at $150,000, while the contingent fund is increased from $3,507 to $6,000.

Trust account has grown from $2,159,531 to $2,208,448.

Debentures outstanding total $310,612, compared with $298,534 a year ago. Savings deposits are increased from $839,113 to $852,692. A mortgage of $35,000 has been reduced to $33,800.

To Occupy New Building

Cash is up from $17,454 to $83,815. Call loans are increased from $36,410 to $48,453. Investment in government and other bonds is reduced from $247,487 to $214,548. Mortgage investments and accrued interest are reduced from $1,370,806 to $1,269,670. Real estate held for sale is reduced from $22,800 to $19,222. Office furniture is written down from $3,700 to $3,000. A new item is office premises, $41,832, the company expecting to occupy new quarters by May.

Following is the record of the company in recent years:

Earnings Record

Year	Paid-up Capital	*Profits	Earn. %	Div. Rate
1927	$250,000	$32,402	12.9	6
1928	300,000	34,149	12.0	6
1929	300,000	36,640	12.2	6
1930	300,000	34,875	11.6	6

*Less income tax.

In addition to the balance sheet and income account set forth in the usual manner, Sherbrooke Trust has published an annual statement in which the company's obligations and assets are detailed so that anyone not familiar with accountancy can understand each item. The total owing to the public is $1,205,072, of which $852,692 is in savings accounts, $310,612 is in debentures, or savings certificates, issued for fixed terms and the balance in sundry items.

The company possesses assets of $1,682,074 to meet its obligations, leaving a surplus of $477,002 available for shareholders. It is pointed out that the trusts and estates, amounting to $2,208,448, are kept and administered separately from the company's own accounts.

STERLING TRUSTS PROFITS LOWER BUT ASSETS UP

Estates Fund, Guaranteed Investments, Grow in Year

Sterling Trusts Corp., Toronto, reports earnings for 1930, after all deductions, of $53,930, which is 6.8 per cent on the average capital compared with $60,441, or 7.9 per cent in the previous year. Dividends of 6 per cent were paid as compared with 7 per cent for the two previous years and the reserve remained at $140,000. Outstanding capital was increased from $777,530 to $786,220.

Although net profits were reduced somewhat in accordance with general business conditions, otherwise the corporation recorded substantial progress in the last year. Gross assets under administration increased from $11,729,891 to $12,528,880.

Estates, trusts and agencies fund is up from $10,239,637 to $10,916,003. Guaranteed trust account grew from $559,852 to $668,832, while company funds are up from $930,402 to $944,045.

In the company account, the Regina office building is carried at $105,000, as formerly. Real estate held for sale is increased from $12,227 to $47,282. Principal of mortgages is reduced from $551,315 to $513,722, while accrued interests is up from $18,446 to $26,535.

Mortgages in the guaranteed trust account are increased from $397,926 to $550,344 while accrued interest is $10,448, compared with $7,804 a year ago.

Following is the record of the company in recent years:

Earnings Record

Year	Paid-up Capital	*Profits	Earn. †%	Div. Rate
1923	$568,019	$32,096	6.5	6
1924	575,010	35,343	6.2	6
1925	579,298	41,985	7.2	6
1926	582,798	47,966	8.2	6
1927	599,122	50,264	8.3	6½
1928	709,459	66,687	10.1	7
1929	777,530	60,441	7.9	7
1930	786,220	53,930	6.8	6

*Less taxes.
†On average capital.

ACADIA TRUST CO. PROFITS GROWING

Increase in Dividend to 10 Per Cent is Announced

Reflecting the prosperity of the Maritime provinces, Acadia Trust Co., of Truro, N.S., reports higher profits for the year ended November 30, 1930. Net of $48,324 is 24.1 per cent on the capital of $200,000, compared with $44,583, or 22.2 per cent, in the previous year. Reserve remains at $400,000. The dividend of 8 per cent was continued but an increase to 10 per cent was announced at the annual meeting on February 11.

Estates, trusts and agency account has grown in the year from $2,930,781 to $3,714,517.

Capital account is up from $688,180 to $721,297. Holdings of government and provincial bonds are increased to $484,803 from $414,607. Municipal bonds are increased to $118,504 from $116,504. Other bonds are up from $19,690 to $25,748. Mortgages are reduced from $120,275 to $87,191. Loans against collateral remain the same at $1,480. Cash is down from $15,624 to $3,571.

Following is the record of the company in recent years:

Earnings Record

Year	Paid-up Capital	Profits	Earn. %	Div. Rate
1927	$200,000	$38,804	19.4	.
1928	200,000	41,067	20.5	8
1929	200,000	44,583	22.2	8
1930	200,000	48,324	24.1	8

UNION TRUST CO. EARNS 11 PER CENT

Estates Administered Grow in Value—Savings Deposits Lower

Union Trust Co., with head office in Toronto and branch at Winnipeg, for 1930 reports net profit after all deductions, of $110,051, or 11 per cent, on its capital of $1,000,000, compared with $116,657, or 11.6 per cent, in the previous year. The dividend of 7 per cent plus 1 per cent bonus was continued. A special reserve of $100,000 was taken out of profit and loss to offset possible loss on Western mortgages; the balance remaining, after this deduction and dividends, taxes, etc., is $54,457.

Estates, trusts and agencies department continued to grow. The total now is $11,816,037, compared with $10,878,180 at the end of the previous year.

The guaranteed trust account is lower, the total now being $4,041,930, compared with $4,295,103 a year ago. There is reduction in both savings deposits and investment receipts.

Company Funds Grow

Company funds have grown from $1,892,089 to $1,964,154. Reserve fund remains at $700,000. It is noted that a bank loan of $150,000 as at December 31 since has been retired. At the close of the year, the company held mortgages on its books at $1,112,027, compared with $1,284,245 a year ago. Real estate is up from $142,943 to $159,491. "Other assets" are shown at $235,762, compared with $62,251 a year ago. Bonds and stocks are shown together at $368,667, compared with $135,413 for bonds and $35,117 for stocks a year ago. Cash is $18,998, compared with $32,178 a year ago. Aggregate of cash, bonds, etc., is 3216 per cent of all demand deposits. Loans on collateral are $69,210, compared with $15,190 a year ago in loans on outside securities and $48,875 in loans on the company's own stock.

Following is the record of the company in recent years:

Earnings Record

Year	Paid-up Capital	*Profits	Earn. %	Div. Rate
1924 ..	$1,000,000	$98,863	9.3	7
1925 ..	1,000,000	98,619	9.8	7
1926 ..	1,000,000	101,082	10.1	7
1927 ..	1,000,000	107,883	10.7	7+1
1928 ..	1,000,000	114,298	11.4	7+1
1929 ..	1,000,000	116,657	11.6	7+1
1930 ..	1,000,000	110,051	11.0	7+1

*Taxes and amount for depreciation on equipment deducted.

MONTREAL LOAN PROFIT IS HIGHER

Slight Increase Reported For Year; Dividends Total 13 Per Cent

Montreal Loan & Mortgage Co. increased its net profits in 1930 over any recent year. Net of $87,992 is 14.6 per cent on the paid-up capital of $600,000, compared with $87,525, or 14.5 per cent, in the previous year. The dividends of 12 per cent plus 1 per cent bonus were continued. Reserve fund remains at $900,000. Profit and loss balance is up from $25,635 to $35,628.

Special deposits have grown in the year from $198,235 to $250,231. Sterling debentures remain at $48,666. Debentures issued in Canada are up from $253,300 to $290,300. The only other liabilities to the public are $6,184 in debenture interest accrued and $9,530 in sundry accounts.

Investment in mortgages has grown from $2,014,746 to $2,142,336. Call loans are reduced from $40,763 to $310. Real estate is down from $3,716 to $3,000. Cash is increased from $6,836 to $18,893.

Following is the record of the company in recent years:

Earnings Record

Year	Paid-up Capital	Profits	Earned %	Div.
1924	600,000	85,319	14.3	12+1
1925	600,000	85,958	14.4	12+1
1926	600,000	86,490	14.5	12+1
1927	600,000	87,486	14.5	12+1
1928	600,000	87,056	14.5	12+1
1929	600,000	87,525	14.5	12+1
1930	600,000	87,992	14.6	12+1

DEBENTURE COMPANY PROFIT MUCH LOWER

Regina Enterprise Net is Less for First Time in Its Career

Debenture Co. of Canada, Regina, for the year ended Nov. 30, 1930, reports profits after all deductions of $11,422, which is 2.2 per cent on the paidup capital of $534,723, compared with $55,717, or 11.7 per cent, profit on $512,071 capital for the previous year. The company, which paid 8 per cent dividends for 1929, paid 6 per cent for 1930. It is the first year in the company's history that it has not reported an increase in profits, although the percentage in relation to paidup capital was greater in 1928 than in 1929.

Gross assets are up from $761,930 to $831,274. Tax sale certificates and accrued interest are increased from $512,569 to $533,200. Property acquired for taxes stands at $18,968, compared with $20,641 a year ago. Agreements of sale are up from $213,345 to $265,651. Cash is some $600 less at $12,241.

The only liability to the public is a bank loan of $100,000, an increase from $60,000. Besides the paidup capital, there is $60,000 in the reserve account, an increase from $55,000; and $127,084 reserve for profits on agreements pending realization, an increase from $101,641. The credit balance in the revenue account is reduced from $33,034 to $9,280. The only other item is unclaimed dividends at $187.

Earnings Record

Year	Paid-up Capital	*Profits	†Earned %	Div.
1927	$403,348	$43,876	11.5	10
1928	480,018	51,333	12.2	10
1929	512,071	55,717	11.7	8
1930	534,723	11,422	2.2	6

* Less income tax.
† On average capital.

EAST CAN. SAVINGS HAS HIGHER PROFIT

Halifax Company Grows in Debentures, Deposits, Investments

Eastern Canada Savings & Loan Co., Halifax, reports an increase in profits for 1930. Net of $86,000 is 11.4 per cent on $750,000 of capital, compared with $83,814, of 11.1 per cent for the previous year. Dividend of 8 per cent was continued. Reserve was increased from $375,000 to $400,000 and contingent fund from $2,000 to $3,000.

Mortgage investments have grown from $3,380,802 to $3,915,429. The total of new loans, it is stated by Hon. W. A. Black, P.C., M.P., president, was $1,600,000, the largest amount ever loaned in one year by the company. Real estate held for sale is reduced from $42,347 to $25,748.

Building is reduced from $63,750 to $55,000. Cash on hand is up from $12,391 to $18,998. Cash in bank is up from $27,171 to $84,386. Investment in bonds is reduced from $9,297 to $7,844. Investment in stocks, a new item, is 51,159. Accounts receivable are reduced from $10,217 to $2,542.

Debentures, debenture stock, and accrued interest now total $2,541,433, compared with $2,410,080 a year ago. Deposits and accrued interest thereon likewise have advanced, from $381,744 to $431,863.

Following is the record of the company in recent years:

Earnings Record

Year	Paid-up Capital	*Profits	Earn. %	Div. Rate
1927	$750,000	$75,242	10.0	8
1928	750,000	83,542	11.1	8
1929	750,000	83,814	11.1	8
1930	750,000	86,000	11.4	8

*Less taxes and depreciation on office buildings, etc.

ALDRED (CANADA) REPORTS DECLINE IN SHARE PROFITS

Earn But Past Preferred Dividend—Conserve Resources

From Our Own Correspondent

MONTREAL.—Aldred Investment Corp. (Canada) reports earnings during the year ended December 31, last, of $180,212. This compares with $214,251 in the preceding year. Of the total revenue, income from investments and call loans at $179,340 is almost exactly the same as revenue from this source in 1929. The lower gross revenue is attributed to the fact that practically no profits were realized in the sale of securities during the past year, whereas in 1929 proceeds from the sale of rights and profit on securities sold amounted to $35,208.

In the following detailed profit and loss account, it will be noted that only $15,000 was paid in dividends on the preferred stock. Although net revenue was sufficient for the payment of the full year's dividends on the preferred stock, the directorate, in view of the decline in market quotations of the securities held in the portfolio, decided that it would be advisable to defer payments of this dividend for the second half year. It is pointed out in the report that all the preferred shares are owned by Aldred & Co., Limited.

	1930 $	1929 $
Revenue	180,212	214,251
Gen. expense	7,010	7,064
Balance	173,202	207,187
Deb. int.	112,500	112,500
Balance	60,702	94,687
Pfd. div.	*15,000	30,000
Balance	45,702	64,687
Com. div.	......	25,000
Balance	45,702	39,687
Disc. on debs.	20,000	10,000
Balance	25,702	29,687
Org. exp.	......	10,162
Surplus	**25,702	19,525
Prev. bal.	44,944	27,472
P. and L. bal.	70,646	46,997

*For half-year.
**Subject to income tax.

Securities at Cost

The balance sheet as at December 31, 1930, showed total assets of $3,376,897, as against $3,368,263 on the same date a year ago. Investments, which are carried at cost, show an increase from $3,109,135 to $3,227,129. Cash shows a small decrease from $84,618 to $56,036. Call loans now stand at $10,000 or $60,000 less than a year ago. Other changes among assets are unimportant.

Majority in Stocks

A list of the securities owned at December 31, 1930, is appended to the annual report. This list is composed of bonds and shares. Of the total investment shown at cost, 38 per cent consists of bonds, 2.5 per cent of the first year and the remaining 59.5 per cent of common shares, principally of public utilities.

There has been no change in the board of directors.

EQUITABLE TRUST EARNINGS ARE LESS

Winnipeg Company's Profits Are Under 1 Per Cent of Capital

Earnings of Equitable Trust Co., Winnipeg, were reduced in the last year. Net before income tax was $5,431 or 0.9 per cent on the paidup capital of $555,600, compared with $19,915, or 3.5 per cent on the capital $555,100 for the previous year. The company paid 2 per cent in dividends for 1930, compared with 3 per cent for 1929.

Trust account is up from $2,762 to $5,326.

Gross company assets are reduced from $898,490 to $810,743. Bank overdraft is up from $5,383 to $33,102. A new item is a guaranteed investment loan of $50,000. Accounts payable are reduced from $14,217 to $12,400. Another new item is $1,591 for deferred profits on agreements of sale. Mortgages payable on company's real estate, which stood at $127,676 a year ago, do not appear in the latest balance sheet. General reserve remains at $50,000. Surplus, subject to income tax, is reduced from $102,619 to $96,938.

Mortgages and agreements, on the assets side, are carried at $247,513, compared with $295,044 a year ago. Advances to clients are reduced from $226,047 to $99,408. Accounts receivable are a trifle more than doubled at $1,984 and bills receivable, a new item, total $9,107. Real estate less reserve is up from $330,500 to $413,652. Of this amount, $1,600 is in farm lands.

Following is the record of the company in recent years:

Earnings Record

Year	Paid-up Capital	*Profits	Earn. %	Div. Rate
1927	$555,031	$12,497	2.2	.
1928	555,100	16,311	2.9	3
1929	555,100	19,915	3.5	3
1930	555,600	5,431	0.9	2

*Income tax deducted

OKANAGAN TRUST EARNS 6.5 PER CENT

B. C. Company Writes Off Investment in Expectation of Loss

Okanagan Loan & Investment Trust Co., Kelowna, B.C., for the year ended June 30, 1930, reported profit of $26,346 after all deductions, which is 6.5 per cent on the paid-up capital of $403,000, compared with $28,135, or 6.9 per cent for the previous year. Dividend of 4½ per cent was paid, compared with 6 per cent for the previous year.

Guaranteed trust account is increased from $38,260 to $58,863.

Estates, trusts and agency account is reduced from $253,866 to $236,279.

Capital account is reduced from $527,856 to $509,296. Real estate held for sale is carried at $34,657, compared with $20,480 a year ago. The increase is due to one item of $32,210 transferred from agreement-of-sale, of which $16,000 has been written off, a loss in the sale being expected. The general reserve remains at $48,000 and the other reserves, principally because of the write-off referred to, is reduced from $6,746 to $486. A total of $13,000 had been placed in this fund in the course of the year.

Mortgages and agreements of sale, etc., are carried at $348,744, compared with $386,368 a year ago.

Liabilities to the public are guaranteed mortgage certificates and interest of $38,598, compared with $45,546 a year ago. Demand loans are up from $4,307 to $9,614. Other items in this class are wages and similar items.

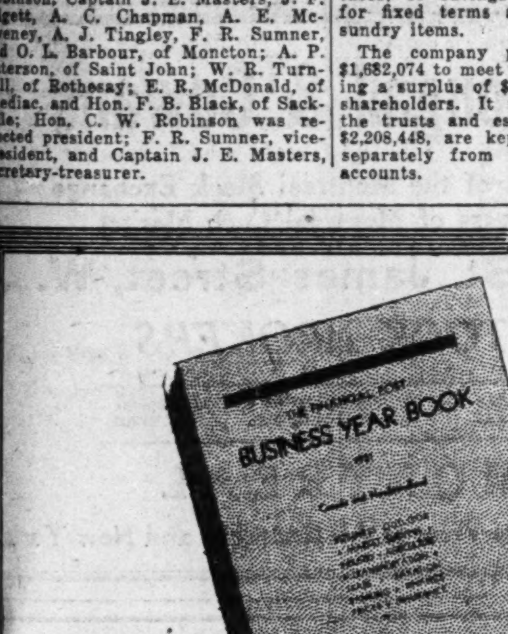
Following is the record of the company in recent years:

Earnings Record

1922	$390,580	$33,139	8.4	4+5
1923	390,580	20,981	5.3	4+5
1924	390,580	17,806	4.5	4+5
1926	392,669	25,400	6.4	*6+5
1927	400,529	24,788	6.1	*6+5
1928	403,000	25,910	6.4	*6+5
1929	403,000	28,135	6.9	6
1930	403,000	26,346	6.5	4½

*Six per cent on fully paid shares and five per cent on partly paid shares.

THE FINANCIAL POST



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Editorial Comment, The Halifax Herald *Jan. 28, 1931*

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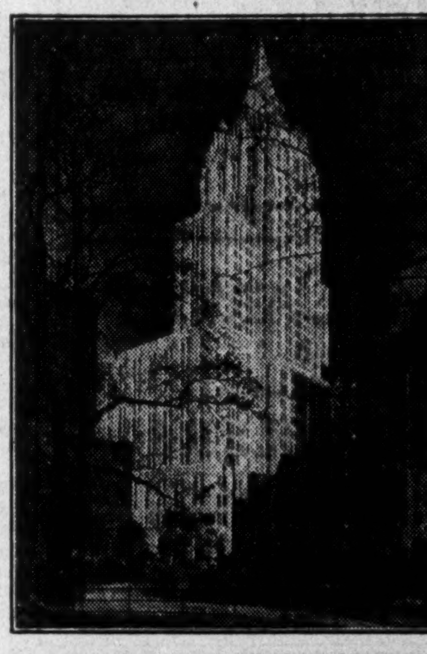

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EIGHTY-SIXTH ANNUAL STATEMENT

To the Policy-holders:

Most of us have labored together for a considerable period.

My service in Nylic has covered forty-two years. I have been President of New York Life Insurance Company for nearly twenty-four years.

In twenty-four years you have numerically been multiplied by three; and your collective property in this Company has been multiplied by three and a half.

You have made a great demonstration within a generation of the power that lies in co-operation between "humans." You have become increasingly convinced of two great truths.

First,—that "no man liveth to himself," and the less he tries to do that the more truly and fully he lives.

Second,—that men are naturally honest and that those in positions of responsibility and trust in business are more honest and much more capable than men are as a whole.

Emerging from the frightful financial disasters of 1930, people are wondering if it was all or in large part necessary. They are asking why such heartbreaking experiences should not naturally cease in countries organized to preserve the strength and the inspiration that lie in individual efforts and in the ownership of private property.

American life insurance reaches its present greatness just in time to answer that question. It is true that we have had in this the freest and most individualistic section of the world (United States and Canada) a disturbing experience. Could it have been avoided substantially? I answer it could and some day such happenings will be largely avoided.

As we emerge from this setback in our economic system we discover that one thing remains unchanged and substantially unaffected.

It is almost literally true that every man who owns property is poorer today than he was a year ago; but to the extent that his possessions are represented by Life Insurance he is as rich today as he was a year ago.

They (his Life and Endowment policies) have not shrunk in value—except as he may have used them as collateral to relieve his needs in other directions.

Suppose the total outstanding insurance a year ago had been 220 billions instead of half that—suppose the assets of the Companies had been 38 billions instead of half that. How much less would the speculation and loss have been in 1930?

Life Insurance Companies will ultimately achieve those totals and greater ones and they will yearly represent an increasing and conservative factor in the whole property problem.

Life Insurance assets are not used speculatively. With relation to our total national wealth those assets represent a steadily increasing factor. They increase the factor of stability and decrease the factor of chance. That gain has been steady for almost a quarter century. Outstanding insurance will double and assets will double long before the wealth of these countries doubles. The lesson of it all is that economic changes of profound significance and of fundamental importance are taking place as the result of the amazing growth of Life Insurance. Life Insurance does all that its devotees have claimed and now it emerges from this world catastrophe substantially untouched and rendering a public service that few people ever realize.

It was organized to mitigate the terrors of death. It has become a valiant and an increasing defense against the economic disasters that periodically devastate the business world.

In other words, we are, through Life Insurance, in these great, free countries, preserving individual enterprise and the rights of individual wealth and at the same time we are utilizing the almost immeasurable power of united and common action.

We are gaining on economic disaster and we shall go on gaining because Life Insurance will go on gaining.

In free countries there is no way to stop speculation; to do that arbitrarily would not be consistent with the principles of freedom. But! Yes, a great big **But!** When Life Insurance has become the great reservoir into which the people put their savings increasingly, speculation will become relatively less and we shall finally have adopted, almost imperceptibly, a new economic program.

This will be founded on co-operation, brains and fidelity. That's a pretty good description of the elements that have made our Life Companies great—co-operation, brains, fidelity, and, I add, hard work.

The balance-sheet below will show what a splendid part your Company is playing in the total.

New York, February 4, 1931 DARWIN P. KINGSLEY, President

New York Life Insurance Company

BALANCE SHEET — DECEMBER 31, 1930

ASSETS		LIABILITIES	
Real Estate owned	$34,307,572.19	Reserves—ample to meet all contractual obligations	$1,588,057,722.02
First Mortgage Loans on Farms, Homes and Business Property	578,255,940.83	Dividends payable to Policyholders in 1931	72,541,788.00
Bonds of the United States, Other Governments, States, Cities, Counties, Public Utilities, Railroads, etc.	706,752,997.95	All other Liabilities	7,455,677.00
Preferred and Guaranteed Stocks	73,662,042.00	Total Liabilities	$1,668,055,187.02
Policy Loans, Cash and Other Assets	396,089,181.03	General Contingency Fund	121,012,546.98
Total Funds for Policy-holders' Protection	$1,789,067,734.00	Total	$1,789,067,734.00

DIRECTORS

LAWRENCE F. ABBOTT	GEORGE B. CORTELYOU	RICHARD I. MANNING
JOHN E. ANDRUS	WALTER W. HEAD	GERRISH H. MILLIKEN
NATHANIEL F. AYER	CHARLES D. HILLES	FRANK PRESBREY
CORNELIUS N. BLISS	HALE HOLDEN	JOHN J. PULLEYN
MORTIMER N. BUCKNER	CHARLES EVANS HUGHES, Jr.	FLEMING H. REVELL
THOMAS A. BUCKNER	ALBA B. JOHNSON	GEORGE M. REYNOLDS
NICHOLAS MURRAY BUTLER	PERCY H. JOHNSTON	JESSE ISIDOR STRAUS
CALVIN COOLIDGE	WILLARD V. KING	RIDLEY WATTS
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Telephone Adelaide 9151

This very interesting series of five articles recently published by THE FINANCIAL POST will shortly be available in pamphlet form.

A DISCUSSION OF WORLD AFFAIRS AND HOW THEY NOW TOUCH CANADA'S PROBLEMS

By Grant Brown

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TWO MEETINGS CALLED TO HEAR OF STIMSON WOE

This Makes Six Gatherings While Five Others Come Later

MIX-UP IS SERIOUS

Companies' Holdings of Each Other's Securities Are Complicating Problem of Custodian

Notices will probably be issued within a day or two to creditors of Grand Central Markets, and Associated Development Corp., two promotions in the Stimson group, calling meetings to consider the situation created by the placing of these and other companies in bankruptcy. As Grand Central Market is practically completed and ready for occupation, it is probable that some arrangement will be made for carrying on the enterprise in the hope that it will realize some of the profit expected from it.

As things stand, G. T. Clarkson has been appointed trustee in bankruptcy for the four original companies which went into bankruptcy: National Debenture Corp., The Toronto Bond Exchange, Stimson's Building & Investment Co. and Stimson's Canadian Development.

For the other companies Mr. Clarkson has been appointed custodian in the meantime: Fred Graham, Ltd., which was formed to take over the old G. A. Stimson Co.; Commerce & Transportation Building, which built the building of the same name; the Commerce & Transportation Building, which bought the building from Commerce & Transportation Building, builders; F. G. Johnston, who assigned personally; and G. A. Stimson & Co. as well as the two companies for which creditors' meetings are now being arranged, Grand Central Markets and Associated Development Corp. One company, Stimson's Office Buildings, has not yet been thrown into liquidation.

Assets are Mainly Shares

At creditors' meetings held to date very little definite information has been forthcoming. The ramifications of the various Stimson enterprises were so tortuous and the inter-company stock holdings so complicated that it has needed a considerable period to unravel them and there may still elapse some time before the approximate standing of various creditors, including security holders can be stated. Various legal questions as to position of security holders and property of various measures taken enter into the question.

So far as the Commerce & Transportation building is concerned, Mr. Clarkson informed creditors at the meeting that there is an equity of from $800,000 to $900,000 in this $1,825,000 building if the creditors can raise a loan to meet the mortgage of $900,000 within six months before foreclosure becomes effective. The interest rate is 12½ per cent.

The difficulty of deciding where creditors stand with any individual company is well shown in the case of Stimson's Building & Investment Co., which has nominal assets of $3,714,686, but all but $94 for furniture and fixtures is invested in associated Stimson companies. Listed liabilities of this company were $2,500,000, one outstanding item being $887,674 due G. A. Stimson & Co. on the purchase of shares of The Commerce & Transportation Building. One large liability of $1,588,300 is for 7 per cent debentures issued on the guarantee of G. A. Stimson & Co. This latter liability was made under contract of sale by G. A. Stimson & Co., and will be investigated by the inspectors.

Payment of claims of creditors of Stimson's Canadian Development Co. will depend upon the equities remaining in The Commerce & Transportation Building, Toronto, and the Marine Building, Vancouver. The assets of this company consist largely of shares of Stimson's Buildings & Investment Co. shown at $2,600,000, but this company has in turn as one of its chief assets securities of Stimson's Canadian Development Co., and the latter company in turn owns shares of the Commerce & Transportation Building whose value will depend on success in meeting the $900,000 mortgage and realizing the $900,000 equity said to remain after that.

Marine Building Earns $150,000

In answer to enquiries at one of the meetings where creditors asked if revenues of Commerce & Transportation Building and Marine building would provide enough to meet charges, Mr. Clarkson stated that there would probably be $100,000 deficit in revenue from rentals for the next 18 months to two years after all carrying charges are met.

"The net income of the Marine building," said Mr. Clarkson, "is between $150,000 and $175,000 after an allowance is made for operating charges, taxes, loss in rentals estimated at 10 per cent and depreciation. Rentals now are only 40 per cent of the total space of the building."

Mr. Clarkson counselled moderation and no lawsuits. If lawsuits were started, he stated that the costs would be enormous. His view is that the best possible result for shareholders and creditors can only be obtained by pooling the resources of all the companies in one big corporation.

The public holds $1,400,000 of debentures of Stimson's Canadian Development Co., says Mr. Clarkson. The assets in the Marine Building, he believed, would depend on the ability of the company to co-finance a redemption of foreclosure proceedings now underway by Starrett & Co., holders of a mortgage. The claims of Starrett & Co. come before those of debenture holders.

F. G. Johnston himself, has no money in his own name, creditors were informed.

Bethlehem Steel Branch Plant Report Unconfirmed

MONTREAL. — Official confirmation cannot be had of the report that the Bethlehem Steel Corp. intends establishing a plant at Chute-à-Caron, which will absorb about 260,000 h.p. of electrical energy to be secured from the Duke-Price Power Co.

The Duke-Price company which has developed the power site at Ile Maligne, and which has just completed the development of the site at Chute-à-Caron, is reported to have been in negotiation with Bethlehem Steel.

Would Control Silver Through Agreements With Sellers of Metal

American Smelting Head Proposes Plan to Stabilize Price

50 CENTS SUGGESTED

Plan Suggested to Benefit Sellers as Production Fails to Meet Normal Demand; If Successful, Would Help East

With silver selling at a new historical low, various suggestions are being offered to stabilize the price at what would be profitable prices to the majority of the silver producers.

Francis H. Brownell, chairman of the board of directors of the American Smelting & Refining Co., refiners of and one of the world's largest dealers in silver, suggests a plan for improving world trade conditions by informally stabilizing silver, at no fixed ratio to gold.

India's Policy is Key

The basis of Mr. Brownell's plan is an informal understanding between the United States; England, including India; France, including Indo-China; and as many other governments as possible, to make no sales of silver for a stated period, either now or hereafter owned by each government at less than a fixed suggested price of 50 cents per ounce. The respective governments are to have a firm understanding that they will only purchase silver now authorized by law for subsidiary coinage, whenever the price of silver in the open market is below the figure agreed upon. In order to stabilize the price agreed upon, and to compensate the governments involved, an understanding that these governments, particularly India, may sell government-owned silver whenever the price is more than, say, 5 cents per ounce above the figure agreed upon.

It is necessary, in Mr. Brownell's opinion, that India should agree to the plan as that country is most likely to sell government-owned silver in the future. Japan and China should be consulted and brought into the arrangement, also Spain, which potentially is perhaps the heaviest seller of silver. Other governments are not likely to be sellers of silver.

The immediate effect would be to remove from the market the present threat of silver sales by governments. This alone would greatly improve the price level. The fall in the price of silver, according to Mr. Brownell, was not due to current over-production, but to sales of silver formerly used as money by different governments.

Coinage Use Important

The average annual production of silver throughout the world for the past six years is estimated by the director of the U. S. mint at 252,019,1887 oz., with a peak production in 1929 of 261,000,000 oz. Curtailment of by-product production and the drop in silver prices has greatly lessened the current rate and the production in 1930, is estimated at 244,000,000 oz. Preliminary estimates for 1931 are for production not in excess of 245,000,000 oz.

The annual consumption of silver by China and India has averaged, during the past six years, 181,333,000 oz., with a peak consumption of 219,000,000 oz. in 1929. World industrial consumption of silver is estimated at 50,000,000 oz. annually, which together with the consumption of India and China, makes a total average world consumption of approximately 230,000,000 oz. against an approximate annual production of silver of 250,000,000 oz., leaving 20,000,000 oz. for subsidiary coinage and other nations' monetary uses.

This estimate of production and consumption is believed to be very conservative. The consumption of India and China will probably be more than the estimate, while the production of silver, particularly in 1931, will be less.

The purchase of silver for subsidiary coinage by the United States, Japan, many of the European and most of the Latin-American countries, is estimated to average from 20,000,000 to 50,000,000 oz. per annum, indicating that the normal silver consumption requirements are in excess of the world production. The total increase in production during the years 1927, 1928 and 1929 over the production of 1826 is relatively negligible, being less than 8,000,000 oz., while the production for 1930 was less than 1926.

The trouble, according to Mr. Brownell, was obviously caused by the enormous sales of government-owned silver, largely from demonetized silver coinage. This sale of government silver in 1930 is estimated at 71,500,000 oz. Thus, while silver production decreased in 1930 from that of 1929 by over 17,000,000 oz., the sales of government silver were so huge that the price of silver broke from 46.87 cents per oz. in January, 1930, to 28.5 cents per oz. in January, 1931.

Uncertainty is Harmful

The sale of silver by the government has had a doubly harmful consequence, first, because of the large extra quantity of silver that was thrown on the market irrespective of whether, when, and where, this was wanted, and, second, the baneful psychological effect caused by the uncertainty or rather the certainty of more coming in the near future.

This movement was initiated by Great Britain in 1920. At that time the British pound sterling had lost in value.

The ministry in an effort to balance the country's budget struck upon the idea of melting Great Britain's silver coinage, then .925 fine, and reminting the same, but with a basic fineness of only .50. Large quantities of extra silver thus obtained were then disposed of in 1921 and 1922. Further sales unheralded and uncontrolled, continued from year to year, and in 1929 about 10,000,000 oz. were being supplied an unwilling market.

The example of England was promptly followed by Germany and Poland, whose governments both struck new silver coins with a fineness of .50. In 1919 and 1920 France, too, became a large seller of silver, a considerable portion of which was derived from melted five-franc pieces, and has continually been figuring as a seller of silver, thereby doing much harm to the silver market. Belgium, Switzerland and Italy all have figured as sellers of silver at most inopportune times.

During the latter part of 1929 Indo-China sold large quantities of silver derived from demonetized coins in preparation of her adoption of the gold bullion standard in the Spring of 1930. The quantity disposed of in 1929 may be estimated as high as 50,000,000 oz. As the sale was carried out just when the silver slide had set in, a veritable avalanche developed, causing panic in the world's silver market.

The greatest threat to silver's stability, however, was, and still is, British India. At the close of 1926, it was definitely resolved to change from the then existing gold exchange standard to a gold bullion standard and to dispose of large quantities of silver, derived from demonetized coins. The total amount for sale was not fixed by law and was made dependent upon the quantity of coins reverting to the treasury from circulation. A preliminary estimate was suggestive of an approximate quantity of 240,000,000 oz. of bar silver, nearly equivalent to one year's world production, to be disposed of whenever authorities thought fit. The total amount of the melted silver sold up to the present by the Indian treasury is about 85,000,000 oz.

This quantity in itself is large, but the key factor is in the undefined future policy as to the time and quantity of silver stock being disposed of. Due to the fact that most of the other sources of surplus silver will give out in the near future, there would be better prospects ahead for the metal if it were not for the genuine threat emanating from India.

History Argues for Plan

Many of those intimately connected with the silver market are of the belief that the mere authoritative announcement by India and other principal governments, of the intention to refrain from further sales of government-owned silver, below the agreed-upon figure, would in itself in a short time bring silver back to a level of 50 cents per ounce.

The basis of this belief is the fact that notwithstanding a normal annual production of more than 250,000,000 ounces in the years of 1926, 1927 and 1928, the price of silver did not fall below an average of 51.5 cents per ounce, until 1929 when India made its greatest sale of 35,000,000 oz. In 1929 also occurred the large sale by Indo-China of an unknown, but probably even greater amount than that sold by India.

A study of the above statistics indicates that a buying power of over 20,000,000 oz. per annum by governments for subsidiary coinage purposes is sufficient, if properly utilized, to stabilize the price above some fixed level or the 50 cents per ounce suggested, provided no further sales are made by governments below a level slightly higher, say, five cents per ounce.

Permission for India to sell its government-owned silver whenever it can do so at a price five cents in excess of the agreed-upon or 50 cents per ounce level might well be a conforming inducement for India to join in the plan since in this way she would realize more money than selling at low current levels.

Several Factors Favor Plan

The plan suggested would tend to stabilize the monetary conditions of China and other silver-using countries and would remove the present prohibitory handicap of an unstable and violently fluctuating price of silver.

The plan is not intended to benefit silver in preference to other commodities such as wheat, sugar, corn and copper, for the reason that silver, like gold, is much more money than a commodity. In the case of gold, approximately one-half of the production is used for non-monetary purposes. In the case of silver, less than 25 per cent is used for non-monetary purposes. So far as current production is concerned, that of silver is more used for money whether coined or uncoined, than that of gold.

To Restore Eastern Countries

Fundamentally the plan is directed towards a restoration in that portion of the world's trade which seems to be most depressed, that of the silver-using countries. These countries have the largest populations in the world, the greatest potential needs, and afford the most promising fields for the large excess of productive capacity now in existence among the higher industrialized nations.

If 50,000,000 oz. silver per annum were bought at 50 cents per ounce the total would be $25,000,000 per annum, for all the nations involved. This would be the utmost loss or profit in using the cheaper substitute for silver in subsidiary coinage and is a small sum for all nations to contribute towards restoring normal conditions to the silver-using nations, Mr. Brownell contends.

Ford Stock With Motors In Advance

Ford of Canada "A" stock has been one of the spectacular performers on the Toronto exchange and the New York Curb in the last week. On Monday it moved up four points, close to 28, but closed on Tuesday at 26½.

Strength in the motor shares in New York has been assigned as the reason, but the special interest in Ford of Canada could not be traced definitely.

Annual report of Ford of Canada is not expected until May.

Canadian Flour Exports Decline in January

From Our Own Correspondent

MONTREAL.—Exports of Canadian flour in January, 1931, fell to a low level, totalling 392,256 barrels as compared with 502,888 barrels in the same month in 1930. The decline in value was more marked, falling from $3,069,166 in January, 1930, to $1,558,555 in January this year.

Total exports for the six months ended January 31, 1931, however, are still higher than those of the same period a year ago. Exports in the six months to January 31, 1931, amounted to 3,961,694 barrels as compared with 3,335,571 barrels in the previous year. Value of exports, however, was lower at $17,714,234. This compared with a value of $20,712,361 for exports in the six months ended January 31, 1930.

Algoma Steel Rail Mill Begins Production at Soo

From Our Own Correspondent

MONTREAL.—The new rail mill of Algoma Steel Corp., constructed at a cost of $1,250,000, opened on February 16, working on an order of 30,000 tons of 130-pound rail. This is the first time that rails of 130 pounds have been manufactured at the plant.

Opening of the rail mill has absorbed about 350 workers who had been unemployed when the mill was closed for rehabilitation some months ago.

Ontario Building Heavy

The heaviest construction programme since Confederation was undertaken by the Ontario Government last year, according to the 1930 report of the Public Works Department. The Provincial Government began building operations resulting in a capital expenditure that year of roughly $2,500,000.

MT. ROYAL HOTEL EARNINGS DECLINE IN DIFFICULT YEAR

Sufficient to Cover 2 Per Cent Disbursement on Preferred

From Our Own Correspondent

MONTREAL. — Decreased tourist business is reflected in earnings of the Mount Royal Hotel Co. for 1930 which totalled $804,821 as compared with $1,051,494 in 1929. The financial statement published covering 1930 does not reveal operating income and expenses as in previous years; net earnings are shown after provision for expenses, taxes, and bad and doubtful debts.

Following the policy of the present management a sum for depreciation has been written off in excess of that provided in 1928 and former years. An auditors note on the balance sheet states that "the reserve for depreciation of fixed assets as at December 31, 1930, is, in our opinion, inadequate in respect of the provisions made in years prior to 1929."

Net Profits Lower

After all charges net profits were $202,635 as compared with $422,556. During the year only one dividend of 2 per cent on the 6 per cent preferred was paid, involving a disbursement of $136,514 as contrasted with payments of $409,542 in 1929. Surplus for the year, therefore, amounted to $66,121 as opposed to $13,014 in the preceding period.

Following is a comparison of profit and loss accounts for the past two years:

	1930 $	1929 $
Operating income	......	3,563,732
Less:		
Oper. expense	......	2,518,697
Net oper. income	......	1,045,035
Non-oper. income:		
Int. received	......	10,134
Discts. earned	......	24,230
Divds. received	......	4,095
Net earnings	†804,821	1,083,494
Int. on 1st mtge. loan	209,078	232,344
Amortization	72,118	75,526
Depreciation	321,000	321,069
Inc. tax reserve	......	32,000
Net profits	202,635	422,555
Less:		
Pref. dividends	136,514	409,542
Surplus	66,121	13,014
Add prev. surp.	*19,064	72,026
Balance	85,185	85,040
Depr. reserve	......	80,000
Bal. forward	85,185	5,040

* Adjusted.
† After operating expenses, taxes and bad debts.

Earned $2.96 a Share

Net profits last year were equal to $2.96 a share on the preferred stock as contrasted with $6.19 a share in the preceding year. This figure is based on a total of 68,257 shares in each year, being the total number of 6 per cent preferred shares outstanding if all the 8 per cent preferred and 8 per cent debentures were exchanged.

Further conversions of these debentures and preferred shares were carried out during the year. There are now outstanding 68,077 shares of 6 per cent preferred, an increase of 615 shares. This represents the conversion of 584 shares of 8 per cent preferred and $3,100 of convertible debentures.

Working Capital Improved

Net working capital position showed an improvement at $551,847 as compared with $311,329 in 1929. Current assets of $786,569 include securities of $397,892. Cash is lower at $53,056 as compared with $218,950, while call loans have been reduced by $100,000 to $200,000.

A claim in litigation is carried at $75,768 and property is valued at $3,379,714, after depreciation of $1,746,096, a decrease of about $255,000. Goodwill is still carried at $900,000.

Accounts payable at $185,605 compare with $251,596 in 1929. Other reductions in current liabilities include the elimination of dividends payable on the preferred shares which were shown at $102,385 in 1929; a sum of $3,310 due affiliated companies and deferred charges of $1,889.

Reduce Mortgage Loan

During the year $120,000 of 5½ per cent first mortgage loan was redeemed, leaving outstanding $3,680,000. A surplus of $85,185 is carried forward into the current year as compared with $5,039.

In his remarks to shareholders, J. Alderic Raymond, president of the company, said in part:

Effect Number of Economies

"Since your board assumed control of the company on March 20, 1930, a number of important operating economies have been effected and expenditures controlled without in any way impairing the standard of service given. The application of these economies will be more apparent in the future operation of the company and should be reflected in a material increase in earnings available for dividends.

"The property, plant, and equipment have been maintained in a high state of efficiency.

"The policy of your directors in paying dividends only to the extent of net profits available from earnings is, of course, sound and one which we feel sure will merit your endorsation. Such earnings justified a payment of 2 per cent on the 6 per cent preferred stock for 1930. With the drastic reductions already effected in operating costs, and with a normal recovery in business conditions generally, it would appear that earnings available for dividends in the not too distant future will justify payment of the arrears of dividends on the preferred stock and permit resumption of regular dividend payments."

Toronto Asks Tenders on Large Serial Issue

Call for tenders on $4,836,000 4½ per cent serial debentures by George Wilson, commissioner of finance for Toronto, represents the largest piece of municipal financing to be undertaken thus far in 1931 and the first time Toronto has come into the market since May, 1930. The debentures are dated February 2, 1931, and are due 1932 to 1961, with an approximate average maturity of 16.1 years. Tenders will be received up to 12 o'clock noon, February 24.

Issued in denominations of $1,000, the debentures will be payable as to principal and semi-annual interest in Toronto, London, Eng., or New York City. As has been usual in the past, the maturities will be by serial installments.

Recent municipal financing has been accomplished at a low cost by Kitchener, Brantford, London and Ottawa. Toronto is conceded a particularly strong financial rating both in the United States and abroad and offerings in the past have brought high prices. It is believed that bidding for the present issue will be particularly keen and that the city will secure a good price.

A Good Investment

Our 5% Guaranteed First Mortgage Investment Certificates are safe and very convenient.

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HAWKESBURY
Ontario

Manufacturers here have the advantage of both rail and water shipping facilities.

Hawkesbury is served by two lines of the Canadian National Railways: the Canadian Pacific passes within 5 miles—(easily accessible by Hawkesbury-Vankleek Hill Highway); and the Ottawa Transportation Co. operates freight and passenger boats.

Such excellent facilities make for low manufacturing costs.

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A. M. PINARD, Secretary
The Board of Trade
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HIGHEST QUALITY—BEST SERVICE

Ethyl Alcohol—Cologne Spirits, Denatured Alcohol (ALL-FORMULAE)

We maintain a Technical Service Division which stands ready at all times to co-operate to the best of its ability with the Trade.

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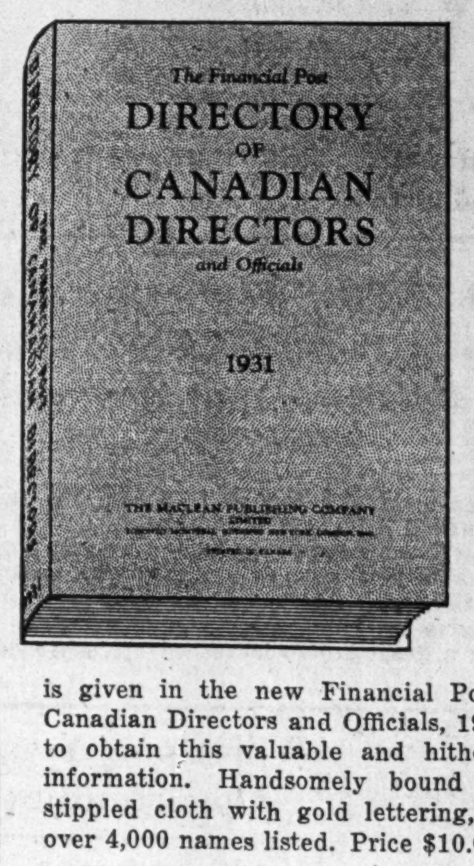

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SECOND SECTION

THE FINANCIAL POST

SECOND SECTION

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QUEBEC WANTS ESTABLISH OWN POWER SYSTEM

Notify Quebec Power That Contract Will Not be Renewed

From Our Own Correspondent

MONTREAL.—City of Quebec has determined upon giving notice to the Quebec Power Co. that it intends to end the existing contract for street lighting, lighting and supply of power to municipal buildings, etc., in two years' time from the date of notice.

This move follows upon the report made by a committee appointed by the city council, which reported that the rates of Quebec Power Co. were out of line in comparison with those charged in other municipalities. The Quebec Board of Trade did not agree with the findings of the committee and issued its own report, wherein it was stated that charges in Quebec City were within reasonable limits.

Opposition to Move

The City Council has gone ahead and adopted a resolution instructing counsel to inform the company of its intention. This move was opposed by some of the aldermen, who suggested that the city should apply to the Quebec Public Service Commission to solicit aid in obtaining a reduction of 50 per cent in electricity rates.

The council also approved a resolution calling for the appointment of an engineer to determine what it would cost the city to organize and run a system of electrical energy and power supply.

It was suggested at the meeting of the council that the city should buy power from Shawinigan Water & Power Co. or the Duke-Price Power Co., it being pointed out that all the power sources within 50 or 75 miles of the city are now being used. This matter is to come up for discussion at a future meeting.

Meanwhile officials of the Quebec Power Co. have suggested to the city council that representatives of the two bodies meet to discuss the electricity system of Quebec. It is expected that a meeting will be held at an early date.

Maritime Trust Co. Gross Profit is $18,725

Report of Maritime Trust Co. was presented at the annual meeting in Saint John, N.B., on February 18. Gross operating profit for 1930 was $18,725, covering the first full year of operation of the company. Gross assets in the capital account are $274,820. The estates, trusts and agency account stands at $1,031,793.

Officers are Howard P. Robinson, president; F. G. Beatteay, vice-president for New Brunswick; Cyril W. Stairs, vice-president for Nova Scotia; and Peter G. Clark, vice-president for Prince Edward Island.

Standard Steel Holds Meeting, Pays Dividend

Standard Steel Construction Co.'s annual financial statement for 1930, shows preferred dividends earned three times and cash position stronger. The comment reported was to the effect that "it was felt that in consideration of trade conditions the company had experienced a fairly satisfactory year."

The directors declared the quarterly dividend on the $3 no par value preferred stock, payable April 1, 1931. This dividend requires $29,843, and it was covered in 1929 by earnings of $276,454. Previous earnings had been $137,976 for 1928, $63,207 for 1927 and $45,632 for 1926. If 1930 earnings had retreated to any of these levels they would still have been sufficient for preferred dividends. The 1929 earnings also showed $2.05 a share as having been earned on 120,525 no par value common shares, but no dividend has yet been paid.

The common stock has been inactive so far in 1931 and no transactions have been recorded in the preferred stock which sold last for about 36½. The common stock has been selling at around 7 and 8, about half of the top figures.

What Leaders Say

Hon. W. G. Martin, minister of public welfare in Ontario, says:

"We can sit down in Council and we can devise ways and means and perfect plans for the resumption of business activity when the wheels of industry shall hum again and the smoke of busy toil shall issue from our factory chimneys, but if, as man and man, and community and community, and nation and nation the ugly word of greed takes the place of the happy word service, if the spirit of the exploitation of profitable industry is permitted to thrive, if unjustifiable—and mark that word—unjustifiable combinations and mergers are allowed to grow and increase and thus harass and oppress the consumer, if we seek any possible substitute for the golden rule of live and let live and the spirit of give and take, if we do those things we can hope in vain for the coming of a glad day when there shall throughout all the land be bread enough and to spare, and in peace and contentment every man shall enjoy the fullness of life beneath his own vine and fig tree."

Buchans Mine Ships Only 3,383 Tons in Month

January shipments of concentrates from the Buchans Mining Co., in the Red Indian Lake area of Newfoundland, were the lowest since the mill was put into operation in October, 1928.

Shipments for January totalled 3,383 short tons as compared with 4,459 tons in December.

DOM. ENGINEERING EARNINGS FOR YEAR $2.83 PER SHARE

Surplus Account Drawn Upon to Pay Full Dividend

From Our Own Correspondent

MONTREAL. — Financial statement of Dominion Engineering Works for the year ended December 31, 1930, did not come up to expectations. Share earnings were equal to $2.83, as against $5.68 in the preceding year.

Immediately following issuance of the annual statement, announcement was made that the dividend rate would be reduced from $4 to $2.40 per annum.

It had been expected that the company would not equal 1929 earnings, but that income for the past year would be close to dividend requirements of $4 a share, which sum was paid—the difference being made up out of surplus.

Mark Up Deficit

Profits from all sources during 1930 totalled $557,252, as against $924,143 in 1929. After taking care of depreciation and other prior charges, there remained a net income of $353,639, which compares with $709,491 in the preceding year. Full particulars of the profit and loss account follow:

	1930 $	1929 $	1928 $
†Profits	557,252	924,143	1,184,672
Deprec.	160,000	205,652	210,281
Balance	397,252	718,491	924,391
Cont. res.	......	......	100,000
Balance	397,252	718,491	824,391
Dev. & research	43,613	......	......
‡Ins. res.	......	9,000	50,000
Net	353,639	709,491	774,391
Dividends	500,000	500,000	353,832
Balance	*146,361	209,491	420,559
Bonus	......	......	62,500
Surplus	*146,361	209,491	358,059
Prev. surp.	1,469,030	1,259,539	901,489
P. & L. bal.	1,322,669	1,469,030	1,259,539

*Deficit.

†From contracts, interest on investments and miscellaneous earnings after providing for income tax.

‡For workmen's compensation.

The working capital position of the company has been strengthened, largely through a reduction of current liabilities, the net amount standing at $2,283,411, as against $2,258,318 at the end of 1929.

Assets Are Lower

Assets of the company at December 31, 1930, totalled $6,536,581, down from $7,180,806. Property account shows a depreciation of about $20,000 at $3,072,183. Cash has been increased from $143,910 to $274,645. Bonds, etc., are carried at $1,497,633, a gain of nearly $480,000. Investments in associated companies have depreciated from $485,815 to $324,775. Call loans have been cut $500,000 to $850,000. Accounts receivable are also lower by $522,000 at $313,780.

Work in progress is shown at $34,319, as compared with $110,620 in the preceding year. Inventory remains much the same at $113,986.

On the liabilities side of the balance sheet, it is noted that accounts payable have been lowered from $1,173,819 to $675,953. Contingent and other reserves remain unchanged at $250,000 each. Capital surplus and workmen's insurance are also carried at the same figure.

Build for Future

In his remarks to the shareholders, G. H. Duggan, president, said in part:

"The hydraulic turbine business has been very active, orders having been received for 24 hydraulic turbines having an aggregate capacity of 751,800 h.p.

"The orders for paper machines and accessories fell off seriously after the early months of the year, and at the close had practically ceased, with the result that the paper machinery department wrote orders for only 25 per cent of the total business entered during the year—reversing the proportion of work taken during the past four years when the paper machinery business supplied 75 per cent of the total orders.

"Realising that the paper machinery business is not likely to be revived for some time, your directors have been seeking other employment for the large proportion of your manufacturing capacity now idle by reason of the cessation of paper machinery orders.

"The manufacture of mining machinery and other similar lines for which your works are exceptionally well equipped is being actively sought, so that your company may be in a position to supply its share of these orders when the demand revives. At the present time very little business is offering."

Reference is made to the board's loss, through death of F. L. Wanklyn and announcement is made of the appointment of Norman J. Dawes and J. A. Mathewson, K.C., to fill two vacancies on the board.

North British Royalty Shares Publicly Offered

North British Royalty Trust Shares, series A, representing ownership in diversified oil royalty properties are being publicly offered. Chartered Trust & Executor Co., as trustee, receives all income from royalties and disburses amounts received to shareholders up to 3 per cent monthly. Any excess income thereafter will form a trust fund for stabilization of dividends. The trust terminates February 1, 1941, shares are dated February 1, 1931.

Management of the trust is held by North British Investments Ltd., which is offering the shares at $10. It is stated that there will be no management fee except for trustee's compensation. Funds will be used to purchase royalties in the mid-continent and other fields and not more than 10 per cent may be invested in non-producing properties in proven fields.

Lake Superior Shareholders Deposit Bulk of Stock

From Our Own Correspondent

MONTREAL.—Deposits of stock of Lake Superior Corp. under the plan of reorganization now total between 345,000 and 350,000 shares out of a total of 400,000 shares. Thus the number of deposited shares substantially exceeds the 75 per cent of outstanding stock, or 300,000 shares, necessary to make the plan operative. The time for deposit of shares expired on February 16.

While it is stated that no formal extension of time will be made, it is likely that deposits of stock will be accepted for a future short period.

Smart, Young Appeals Are Heard in Toronto

The Appellate division of the Ontario courts heard this week the appeal of William J. Smart and M. E. Young against their conviction in December last on charges of unlawfully conspiring to defraud customers of Homer L. Gibson & Co.

The accused were found guilty by a jury last December and sentenced to three and two years in jail respectively, and the appeal is on the grounds that their conviction was contrary to the weight of evidence and to law. The hearing is before Chief Justice Latchford.

Isaac Solloway to Face Trial in Ontario First

Agreement between Ontario and British Columbia officials will result in the re-arrest of Isaac W. Solloway by Ontario police when he is released from Lethbridge jail on February 21. It has been decided first to try the ex-mining broker in Ontario rather than British Columbia, where warrants are also out for his arrest.

It is indicated that the Ontario trial will be finished by April 7, in which event the Vancouver trial will probably take place about May 1. Harvey Mills, Solloway's partner, will be tried at the same time.

Municipal Bankers Corp. Want Trust Modified

Ask Bondholders to Consent to Reduction in Interest Rates in Line With Present Mortgage—Desire Withdrawal Privilege

Notices have been sent out of meetings of holders of 6½ per cent, 20-year mortgage bonds, Series "A" 6 per cent, Series "B" 6 per cent, Series "A" 5¾ per cent and Series "C" 5¾ per cent 20-year general mortgage bonds of Municipal Bankers Corp. to approve the sale of assets of Municipal Bankers Corp. to Municipal Bankers Corp. (1931), Ltd. (New Company) and to authorize and empower the trustee to release the company from the whole of the principal interest owing upon the bonds and to release the mortgaged premises including any sinking fund to the company free from the charge created by the deed of trust and mortgage.

The trustee, if the bondholders agree, is to accept in full satisfaction for the bonds thus released general mortgage bonds due March 15, 1946, of the new company.

The notice to 6½ per cent mortgage bondholders is for March 2, 1931, at King Edward Hotel at 10 a.m., the consideration in general mortgage bonds being $440,500. The notice to 5¾ per cent Series "A" 20-year general mortgage bondholders is for the same day but the amount of general mortgage bonds offered is $139,500. The amount available for Series "A" 6 per cents, Series "B" 6 per cents and Series "C" 5¾ per cents together is $1,500,000. The total amount of general mortgage bonds to be outstanding is $2,396,800. The trust companies involved are the Montreal Trust Co. and Toronto General Trusts Corp., the latter as trustee only for the 5¾ per cent 20-year general mortgage gold bonds, Series "A".

Proxies are now being asked from holders of bonds. A number of these are writing to The Financial Post, stating that they are in the dark as to the meaning of the request now being received. Details as to the agreement made on February 7, 1931, for sale of assets are not given in the request for proxies, nor has any statement of reasons for the move yet been forwarded to bondholders.

The Financial Post understands, however, from those close to the directorate that the company desire to have the bondholders consent to a reduction in the interest rate out of consideration for the fact that mortgage interest and bond interest rates have declined materially since these bonds were sold. Payment at the rate of 6½, 6, and 5¾ per cent is therefore becoming progressively more difficult as interest rates have declined.

The company also desires to modify the trust deed so that part of the security may be withdrawn at need for the purpose of working capital and to purchase other types of securities than those now held. It is stated that the new securities purchased will be all of the character eligible for insurance companies. The new proposals would change the dollar for dollar character of security behind the bonds to some degree. Just to what extent the withdrawal privilege would be made available has not been decided.

Ontario Radium Property Will be Tested Out

The Ontario Radium Corp. which has been engaged in financing preliminary to resuming operations at its property near Wilberforce, Haliburton county, Ontario, is reported as having started active development with Murray D. Kennedy as mine manager.

Pitchblende, an ore of radium, occurs as crystals disseminated through a pegmatite dyke which outcrops for a distance of about 1,600 ft. on the surface, and has an average width of about five ft. Preliminary surface exploration has been done and a car load shipment made to the ore testing laboratories of the Federal Department of Mines. Present plans are to drive a tunnel into the hillside to intersect an outcrop at a depth of about 60 ft. A portable gasoline engine driven compressor has been taken into the property to facilitate operations.

ANTICOSTI CORP'S ASSURED INCOME FAILS PREFERRED

Minimum Stumpage Fees Do Not Prevent Dividend Passing

MONTREAL.—Anticosti Corp. has deferred the regular quarterly dividend on its preferred stock ordinarily payable on March 1 next.

This company forms part of the set-up of Canada Power & Paper Corp., being controlled through ownership of all of the common stock by the latter's subsidiaries, St. Maurice Valley Corp., Wayagamack Pulp & Paper Co., and Port Alfred Pulp & Paper Corp.

It was formed four years ago to take over the Island of Anticosti, on which the pulpwood stand was estimated at 15,000,000 cords. Under an agreement between the company and St. Maurice, Wayagamack and Port Alfred, the latter group agreed to purchase a minimum of 390,000 cords a year for the first three years and 420,000 cords a year each year thereafter.

Income Was Guaranteed

Payment for this pulpwood was guaranteed to be sufficient to take care of all operating expenses, depreciation, interest and sinking fund payments on the $6,000,000 of first mortgage bonds and dividends and sinking fund on $3,000,000 of 7 per cent preferred stock.

It is provided in the contract that the guarantors had to pay a minimum stumpage fee of $2.40 for each cord of pulpwood purchased, whether or not the minimum number of cords agreed to be taken is cut or delivered, as long as any of the bonds were outstanding.

There has been no statement issued as to the payment of minimum stumpage. In one quarter it was suggested that this was a matter of bookkeeping.

Rights of Preferred

The rights of the preferred shareholders are further protected by the fact that preferences attaching to the preferred shares cannot be modified except with confirmation of a vote of the holders of at least 75 per cent in value of such shares then outstanding.

At the end of 1929, Anticosti had outstanding $5,763,500 of bonds, $3,000,000 of preferred, and 60,000 shares of no par value common.

Trail Building Permits Gain

Building permits at Trail for the year 1930 amounted to $395,160 or a gain of $191,595 over 1929. Residential permits amounted to $82,940.

Forms New Firm

W. ROY RAINE, formerly partner in Griffis, Raine & Co., who is now senior partner in the investment banking house of W. R. Raine & Co.

EMPIRE LIFE ISSUED $4,832,000 IN 1930

Business issued and revived by the Empire Life in 1930 was $4,832,207 as compared to $6,177,131 a year ago according to the company's eighth annual report issued this week. Business in force topped the $20,000,000 mark for the first time in the company's history the amount on the company's books at Dec. 31, being $20,117,415 as against $19,636,487 the previous year. The number of policies in force was 10,334 as against 9,917 a year ago.

Assets total $1,878,298 as against $1,673,660 the previous year while premium income increased slightly to $557,014. The company publishes no income account or balance sheet in its annual report but at the end of 1929, surplus was reported as $424,933 before accounting for capital stock paid-up of $471,220. No statement as to surplus and capital account is shown for 1930.

Maritimes Will Secure Two New Box Factories

Royal Print & Litho. Ltd., which has been acquired by Lawson & Jones, London, Ont., will build a new plant in the maritimes at a cost of some $250,000. The new plant will manufacture paper containers and corrugated paper board. Directors of the company are completing final arrangements.

The above announcement follows shortly on the decision of Hinde & Dauch Paper Co. to establish a plant at Halifax for the manufacture of paper containers.

PUBLISH PLAN TO REORGANIZE NAT. RADIATOR

Debenture Holders Would Lose Half of Principal By This Proposal

Following default on the February 1 interest on the debentures of National Radiator Corp., a plan of reorganization is being submitted to debenture holders, preferred shareholders and common shareholders.

In place of the present capitalization, it is proposed to issue $5,358,000 of 5 per cent 15-year debentures; 53,580 shares of $7 non-cumulative no-par preferred and 272,966 shares of common.

Debenture holders would get five preferred shares and 20 common shares for each $500 debenture; preferred holders would get one new common share for each preferred; common shareholders would get stock warrants entitling them to buy one new common at $20, up to 1941, for every three shares of common now held provided they pay $1 cash, on reorganization, for each share warrant.

Is Management's Plan

The new debentures would be entitled to 40 per cent of the net earnings for the first three years. Interest would be accumulative and after 1934, all of the net earnings would be available for interest on the new debentures and arrears.

Until 1934, the new preferred would be non-cumulative.

This plan would cut the capitalization of the corporation. At present there is outstanding about $11,848,000 of debentures, 60,000 shares of preferred and 270,000 shares of common.

There is virtually no Canadian interest in the common shares, but fairly large amounts of debentures and preferred were sold in Canada in 1927. No dividends have been paid on the preferred since 1928.

Career Short and Disastrous

It is understood that the reorganization plan emanates from interests close to the management. The proposal of the bondholders' committee is yet to be announced and the Canadian interests concerned are reported to be awaiting the action of this committee before committing themselves as to the proposal now before them.

National Radiator Corp. was a 1927 merger of five companies manufacturing radiators and other heating equipment. The merger has not met any material success at any time in its short career.

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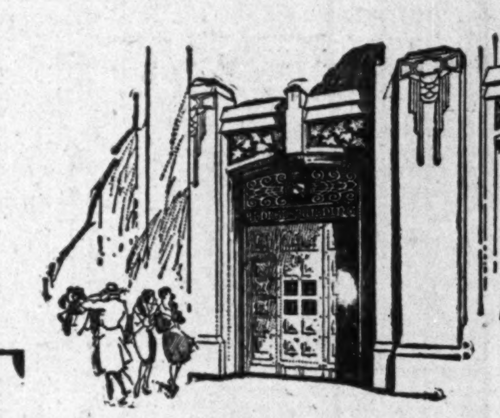

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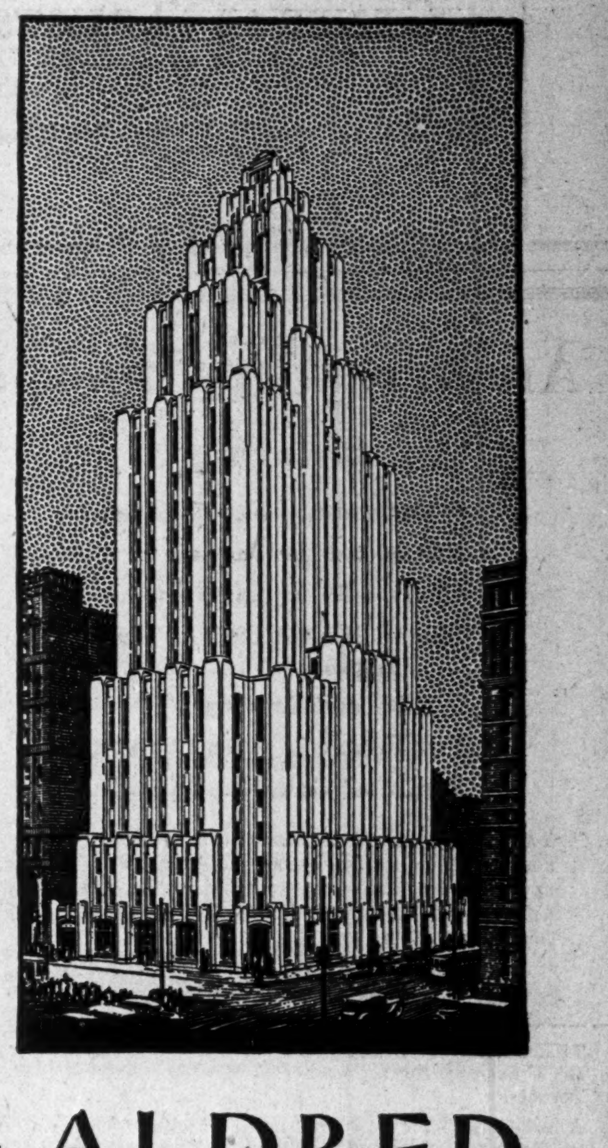

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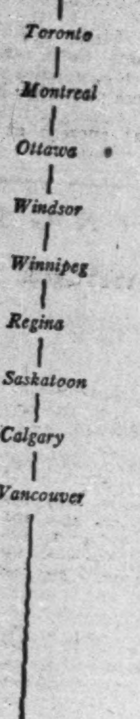

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WEEK'S CANADIAN STOCK AND BOND QUOTATIONS

Montreal, Toronto & Curb Stocks

WEEK ENDING FEBRUARY 16

Range 1931 High	Range 1931 Low	Divd. Rate	Yield in % Feb. 14	Stock	Close Feb. 9 (or last)	Week Ending Feb. 16 High	Low	Close
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

x Quotations for 1930. No sales recorded in 1931 to date.
a Stock dividend.
* New York quotations.
† Quarterly div. payable March 2 in stock in lieu of cash.
‡ Quotations for 1929.
c 2½c monthly plus stock div. of .005% monthly.

Dividends Declared

Company	Annual Rate	Div. Declared	Date Payable	Record
Agnew Surpass, pref.	[illegible]	[illegible]	[illegible]	[illegible]
Belding Corticelli, pfd.	[illegible]	[illegible]	[illegible]	[illegible]
Bank of Montreal	[illegible]	[illegible]	[illegible]	[illegible]
Bank of Toronto	[illegible]	[illegible]	[illegible]	[illegible]
Brazilian Tr.	[illegible]	[illegible]	[illegible]	[illegible]
Barcelona Traction	[illegible]	[illegible]	[illegible]	[illegible]
Bk. Canadienne Nationale	[illegible]	[illegible]	[illegible]	[illegible]
Can. Canners	[illegible]	[illegible]	[illegible]	[illegible]
Do., 1st pfd.	[illegible]	[illegible]	[illegible]	[illegible]
Do., conv. pfd.	[illegible]	[illegible]	[illegible]	[illegible]
Can. Inter. Inv. Trust pfd.	[illegible]	[illegible]	[illegible]	[illegible]
Can. Bank of Commerce	[illegible]	[illegible]	[illegible]	[illegible]
Canadian Car. com.	[illegible]	[illegible]	[illegible]	[illegible]
Can. Northern Power, com.	[illegible]	[illegible]	[illegible]	[illegible]
Cosmos Imp., pref.	[illegible]	[illegible]	[illegible]	[illegible]
Can. Wire & Cable "A"	[illegible]	[illegible]	[illegible]	[illegible]
Do.	[illegible]	[illegible]	[illegible]	[illegible]
Do.	[illegible]	[illegible]	[illegible]	[illegible]
Do. "B"	[illegible]	[illegible]	[illegible]	[illegible]
Can. Pacific Rly.	[illegible]	[illegible]	[illegible]	[illegible]
Do., pref.	[illegible]	[illegible]	[illegible]	[illegible]
Canada Vinegars	[illegible]	[illegible]	[illegible]	[illegible]
Canada Iron, com.	[illegible]	[illegible]	[illegible]	[illegible]
Do. pfd.	[illegible]	[illegible]	[illegible]	[illegible]
Canada Paving, pfd.	[illegible]	[illegible]	[illegible]	[illegible]
Canadian Silk	[illegible]	[illegible]	[illegible]	[illegible]
Crow's Nest Coal	[illegible]	[illegible]	[illegible]	[illegible]
David & Frere "A"	[illegible]	[illegible]	[illegible]	[illegible]
Can. Hydro Electric	[illegible]	[illegible]	[illegible]	[illegible]
East Kootenay Power, pfd.	[illegible]	[illegible]	[illegible]	[illegible]
Eastern Theatres, com.	[illegible]	[illegible]	[illegible]	[illegible]
Hillcrest Collieries, pfd.	[illegible]	[illegible]	[illegible]	[illegible]
Howard Smith Pap., pfd.	[illegible]	[illegible]	[illegible]	[illegible]
Hollinger Mines	[illegible]	[illegible]	[illegible]	[illegible]
Inter. Milling, pref.	[illegible]	[illegible]	[illegible]	[illegible]
Do., Series "A"	[illegible]	[illegible]	[illegible]	[illegible]
Inter. Nickel, c.	[illegible]	[illegible]	[illegible]	[illegible]
Imperial Oil	[illegible]	[illegible]	[illegible]	[illegible]
Lake of Woods Mill. pfd.	[illegible]	[illegible]	[illegible]	[illegible]
Loblaw Grocet. "A" & "B"	[illegible]	[illegible]	[illegible]	[illegible]
Laura Secord, com.	[illegible]	[illegible]	[illegible]	[illegible]
Lindsay, C. W. pref.	[illegible]	[illegible]	[illegible]	[illegible]
Do., com.	[illegible]	[illegible]	[illegible]	[illegible]
Legare, P. T., pref.	[illegible]	[illegible]	[illegible]	[illegible]
Mexico Trams. 6% bonds, 50-yr.	[illegible]	[illegible]	[illegible]	[illegible]
Mexican L. & P.	[illegible]	[illegible]	[illegible]	[illegible]
McColl Frontenac	[illegible]	[illegible]	[illegible]	[illegible]
McIntyre Mines	[illegible]	[illegible]	[illegible]	[illegible]
Montreal Loan	[illegible]	[illegible]	[illegible]	[illegible]
N. S. Light & Pr. pref.	[illegible]	[illegible]	[illegible]	[illegible]
Montreal Cottons, pfd.	[illegible]	[illegible]	[illegible]	[illegible]
Do., com.	[illegible]	[illegible]	[illegible]	[illegible]
Ogilvie Flour, pfd.	[illegible]	[illegible]	[illegible]	[illegible]
Page Hersey, com.	[illegible]	[illegible]	[illegible]	[illegible]
Power Corp. com.	[illegible]	[illegible]	[illegible]	[illegible]
Photo Engravers	[illegible]	[illegible]	[illegible]	[illegible]
Provincial Bank	[illegible]	[illegible]	[illegible]	[illegible]
Quebec Power	[illegible]	[illegible]	[illegible]	[illegible]
Rolland Paper, pfd.	[illegible]	[illegible]	[illegible]	[illegible]
Reliance Grain, pref.	[illegible]	[illegible]	[illegible]	[illegible]
Royal Bank	[illegible]	[illegible]	[illegible]	[illegible]
Shawinigan	[illegible]	[illegible]	[illegible]	[illegible]
Spooner Oils	[illegible]	[illegible]	[illegible]	[illegible]
Simon & Sons	[illegible]	[illegible]	[illegible]	[illegible]
Do. pref.	[illegible]	[illegible]	[illegible]	[illegible]
Union Natural Gas	[illegible]	[illegible]	[illegible]	[illegible]
Walker-Good.	[illegible]	[illegible]	[illegible]	[illegible]
Windsor Hotel, pfd.	[illegible]	[illegible]	[illegible]	[illegible]

‡Stock dividend.

Unlisted Canadian Securities

(Furnished by A. J. Pattison Jr. & Co. Limited)

Feb. 17, 1931

Industrial Stocks	Bid	Ask
[illegible]	[illegible]	[illegible]

Listed Bond Quotations

Week Ending February 16

Montreal	Int. Rate	Due	Yield	Latest Ask	High	Low	Range, 1931 High	Low
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

x Quotations for 1930. None recorded in 1931 to date.

Dominion Govt. Bonds (Montreal)

[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Active Current Bond Prices

February 16

	Bid	Asked	Yield
[illegible]	[illegible]	[illegible]	[illegible]

Active Provincial and Municipal Bonds

(Furnished by H. R. Bain & Co., Ltd.)
330 Bay Street, Toronto, Ont.

Provinces	Rate	Actual Mat.	Next Int. Date	Price	Yield
Alberta	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Alberta	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Alberta	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
British Col.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
British Col.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
British Col.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Manitoba	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Manitoba	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
N. B.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
N. B.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
N. B.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Nova Scotia	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Nova Scotia	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Ontario	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Ontario	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Ontario	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
P. E. I.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
P. E. I.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Quebec	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Quebec	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Saskatchewan	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Saskatchewan	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Saskatchewan	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Cities					
Montreal	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Toronto	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Vancouver	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Winnipeg	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Windsor	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Edmonton	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Calgary	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Halifax	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
St. John	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Regina	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
Victoria	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Foreign Exchange

	New York Funds High (Premium)	Low	Last Year High (Premium)	Low
February 11	[illegible]	[illegible]	[illegible]	[illegible]
February 12	[illegible]	[illegible]	[illegible]	[illegible]
February 13	[illegible]	[illegible]	[illegible]	[illegible]
February 14	[illegible]	[illegible]	[illegible]	[illegible]
February 16	[illegible]	[illegible]	[illegible]	[illegible]
February 17	[illegible]	[illegible]	[illegible]	[illegible]

* Discount.

STERLING, FRANCS AND LIRE

	Sterling Close	Francs Close	Lire Close
February 11	[illegible]	[illegible]	[illegible]
February 12	[illegible]	[illegible]	[illegible]
February 13	[illegible]	[illegible]	[illegible]
February 14	[illegible]	[illegible]	[illegible]
February 16	[illegible]	[illegible]	[illegible]
February 17	[illegible]	[illegible]	[illegible]

FOREIGN EXCHANGE

Par		Feb. 3	Feb. 10	Feb. 17
5.26	Italian	[illegible]	[illegible]	[illegible]
23.80	German	23.78	[illegible]	[illegible]
13.90	Belgian	[illegible]	[illegible]	[illegible]
49.80	Japanese	49.45	[illegible]	49.40

Winnipeg Stock Exchange

February 9

	Bid	Ask		Bid	Ask
Beaver Fire	[illegible]	[illegible]	Home Investment	[illegible]	[illegible]
Beaver Lumber c.	[illegible]	[illegible]	Monarch Life	[illegible]	[illegible]
Do., pref.	90	[illegible]	Northern Trust	[illegible]	[illegible]
Can. Amtr. Tr. shs.	[illegible]	[illegible]	Traders Bldg.	[illegible]	[illegible]
Can. Fire Ins.	[illegible]	[illegible]	Un. Gr. Growers	[illegible]	[illegible]
Can. Indemnity	125	[illegible]	West. Breweries	2½	1
Crescent Creamery	[illegible]	[illegible]			
Gt. West Life	460	[illegible]			

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Toronto, Edmonton and Montreal

CHARTERED TRUST REPORTS EARNINGS OF 8.3 PER CENT

Savings Deposits, Estates Account, Grow Substantially in Year

Chartered Trust & Executor Co., Toronto, for 1930 reports profits of $82,954, or 8.3 per cent on the $1,000,000 of capital, compared with $93,114, or 9.7 per cent on the average amount of capital employed in the previous year. The dividend of 6 per cent was maintained. A further $15,000 was placed in reserve, bringing that fund to $230,000.

Estates, trusts and agencies account grew in the year from $17,103,580 to $18,032,918. The guaranteed trust account is up from $2,691,530 to $3,187,143. Of this sum, $1,763,678 is in the form of trust certificates, compared with $1,403,499 a year ago, while deposits have grown from $1,288,031 to $1,423,465.

Liabilities in the capital account include mortgage on premises of $165,438, compared with 172,096 a year ago. A contingent reserve of $27,500 which appeared a year ago is not in the latest balance sheet.

Assets in the capital account include premises and equipment at $341,718, compared with $346,454 a year ago. Real estate held for sale is reduced from $7,363 to $2,639. Mortgages are down from $309,556 to $204,578. Bonds and debentures are up from $378,604 to $423,728. Stocks are reduced from $42,206 to $30,241. Loans on collateral securities are up from $49,194 to $137,185. Cash is reduced from $83,311 to $65,487. Other items bring company funds up to $1,443,186, compared with $1,441,051 a year ago.

Following is the record of the company in recent years:

Earnings Record

Year	Paid-up Capital	xProfits	Earned †%	Div. Rate
1927	$522,844	$74,881	14.3	5¼
1928	908,320	74,312	13.2	6
1929	987,900	93,114	9.7	6
1930	1,000,000	82,954	8.3	6

xProvision for income tax deducted.
†On average capital employed.

Brit.-Canadian Trust Profits Are Reduced

British Canadian Trust Co., Lethbridge, for 1930 earned $10,878, or 9.9 per cent on the paidup capital of $119,392, compared with $10,497, or 14.5 per cent on the paidup capital of $82,882, for 1929. Dividend of 9 per cent was continued.

Estates and agencies are up from $520,484 to $651,871. Of this sum, $599,102 is in estates under administration, compared with $450,328 a year ago.

Company assets are up from $235,832 to $277,854. A bank loan has been increased from $50,000 to $65,500. Sundry accounts bring the liabilities to the public up from $68,954, compared with $57,781 a year ago.

Mortgage loans and interest are increased from $118,662 to $132,945. Sales contracts, etc., amount to $49,662, an increase from $9,186.

Earnings Record

Year	Paid-up Capital	*Profits	Earned %	Div.
1927	$50,062	$ 3,356	6.7	6+2
1928	52,129	5,735	11.2	6+2
1929	82,882	10,497	14.5	9
1930	119,392	10,878	9.9	9

*Income tax deducted.

LONDON & WEST. YEAR'S EXPERIENCE IS NOT FAVORABLE

Trust Company's Reserve Reduced to Write Down New Assets

London & Western Trusts Co. for 1930 reports profits of $81,206 after all deductions, which is 7 per cent on the paid-up capital of $1,174,210, compared with $102,033, or 13.4 per cent on the average capital employed in the previous year. The dividend of 9 per cent was continued.

The drop in profits is attributed mostly to the higher operating expense in the opening of new offices at a time when general business has been depressed. The report shows that much new business has been obtained and this should be reflected in greater profits in later years.

Despite the drop in profits for 1930, it is worth noticing that the net is greater than in any year prior to 1927.

Comparison is Difficult

Comparison of the two balance sheets is difficult because of the acquisition of the Standard Trusts as of Jan. 1, 1930, especially as the report of Standard Trusts for 1929 does not appear to have been published. As at Dec. 31, 1928, Standard Trusts showed gross assets of $12,926,109, of which $10,155,541 was in estates, trusts and agencies account.

Standard Trusts assets at that date included city apartments carried at $339,561, other city blocks at $214,470 and other real estate at $236,422.

London & Western Trusts formerly operated one office, at London. With the Standard Trusts it acquired offices in Winnipeg, Edmonton, Vancouver and Saskatoon and has expanded otherwise. It now operates offices also in Toronto and Calgary.

Directors appropriated from reserve $275,000 to take care of shrinkage of realization values on some assets, particularly those taken over from Standard Trusts, Winnipeg, when that company was acquired in January, 1930. Premium on capital stock sold added something to the reserve, which now stands at $849,210, compared with $949,475 a year ago.

Real Estate Holdings Large

Estates, trusts and agencies account is now $39,049,618, compared with $34,669,758 a year ago. A new department is the guaranteed trust account, which stands $1,008,900, of which $7,726 is accrued interest.

Company funds are up from $2,016,070 to $2,074,004. Office premises at London, Winnipeg and Saskatoon are carried at $197,477, whereas a year ago the premises item was $85,000. The equity in the Vancouver property has increased from $10,000 to $72,500. Cash now totals $153,518, compared with $479,297 a year ago. Bond and debentures are $98,791, compared with $107,400 a year ago. Loans on stocks and bonds total $332,542, an increase from $299,122. Principal of mortgages is $104,932, compared with $913,345 a year ago, but there also are mortgages of $578,632 directly securing guaranteed funds.

In the capital account, also, are agreements of sale carried at $491,892, an item which does not previously appear. Real estate held for sale, another new item, is shown at $324,872. It is explained that certain items of real estate have been set aside under agreement to provide for contingent liability assumed on purchase of Standard Trusts.

Earnings Record

Year	Paid-up Capital	*Profits	Earn. %	Div. Rate
1923	$500,000	$67,586	13.5	7
1924	500,000	65,703	13.1	7
1925	500,000	69,777	13.8	7
1926	500,000	71,653	14.3	8
1927	500,000	71,512	14.3	8
1928	500,000	86,958	17.3	8
1929	999,475	†102,033	13.4	9
1930	1,174,210	†81,206	7.0	9

*Taxes deducted.
†Income tax reserve for 1929, $8,800 deducted; for 1930, $10,759.

WATERLOO TRUST EARNINGS HIGHER

Waterloo Trust & Savings Co. for 1930 reports earnings of $122,764, or 12.2 per cent on the paidup capital of $1,000,000, compared with $119,759 in 1929, or 12.6 per cent on the average capital employed in that year. In 1929, the capital was increased from $750,000. Dividend has been continued at 7 per cent. Reserve has been increased by $50,000 to $450,000.

Gross assets under administration are up from $10,319,975 to $11,331,039 Estates trusts and agencies account has grown from $2,006,302 to $2,331,475. Guaranteed trust account is up from $6,868,166 to $7,503,039. Guaranteed investment receipts have grown from $2,927,652 to $3,281,160, while savings deposits have increased from $3,940,515 to $4,221,879.

Buys More Bonds

Directly securing the guaranteed trust account, are mortgages of $5,013,614, compared with $4,646,566 a year ago. Interest due and accrued amounts to $115,671, compared with $103,509. Government and other bonds now total $2,098,890, compared with $1,913,805. Cash is up from $204,286 to $274,865.

In the capital account, premises, and fixtures, etc., for the four offices are valued at $192,464, compared with $171,535 a year ago. Other real estate is carried at $58,732, an increase from $43,298.

There is a considerable decrease in mortgages. A year ago the figure stood at $524,781, but now has been reduced to $226,638. Loans on the company's own stock have grown from $27,776 to $30,728. Loans on other securities are reduced from $480,844 to $461,467. Investment in municipal and similar bonds is increased from $45,589 to $101,636. Other bonds and debentures are up from $89,803 to $374,036. The other items do not vary greatly from the previous year.

Earnings Record

Year	Paid-up Capital	*Profits	Earn. †%	Div Rate
1923	729,685	62,657	8.5	6½
1924	750,000	63,482	8.5	6½
1925	750,000	63,382	8.4	6½
1926	750,000	73,639	9.7	6½
1927	750,000	81,630	10.8	6½
1928	750,000	99,762	13.2	7
1929	1,000,000	119,759	12.6	7
1930	1,000,000	122,764	12.2	7

*Income tax deducted.
†On average capital.

New York Life Writes $900,000,000 New Business

The New York Life Insurance Co. secured $900,897,700 of new paid for insurance during 1930 and issued 323,745 new policies, according to the annual report just issued. The volume of insurance written was some 5½ per cent below that of 1929. The insurance in force as at December 31, 1930, was $7,626,000,000. During 1930, the company loaned to Canadian policy-holders and invested in Canadian securities the sum of $56,600,000.

Assets of the company total $1,789,667,734. Of this total $706,752,998 is in bonds, $578,255,940 in first mortgage loans; $396,089,181 in policy loans, cash and other assets; $73,662,042 in preferred and guaranteed stocks and $34,307,572 in real estate owned. Reserves set aside to meet contractual obligations amount to $1,588,057,722 and general contingency fund totals $121,012,547. Dividends payable to policyholders in 1931 are shown at $72,541,788 and other liabilities $7,455,677.

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Sarnia Bridge Sales Show Sharp Decline

Severe decline in sales during 1930 is shown in the income and surplus account of Sarnia Bridge Co. which has been issued separately from the balance sheet. The latter was reviewed in The Financial Post issue of February 12 and showed a surplus of $15,908 as compared with $85,010 at the end of 1929. The company reports net sales during 1930 at $601,630 as against $1,129,629 in 1929.

Deductions for cost of sales, selling expense, general and administration expense result in a loss for the year of $28,144 as against net earnings of $96,000 in 1929. Loss in disposal of old equipment of $343, adjustments of $5,655 for sales tax and $3,450 for workmen's compensation in previous years and dividend payments on A and B shares amounting to $31,500 reduce the surplus to $15,908. The company made no provision for depreciation of buildings, machinery and equipment during 1930.

The income and surplus account for 1930 and 1929 are submitted by the company is as follows:

	1930	1929
Net sales	$601,630	$1,129,629
Less: Cost of sales ...	522,814	913,616
Selling expense	69,057	70,324
Gen. & admin. exp.	37,903	49,590
Net earnings	*28,144	96,100
Less reserves:		
Employees bonus	....	9,019
Income tax	....	7,202
Loss on old equipment	343	665
Net profit	*28,487	79,214
Less dividends:		
Class A	24,000	24,000
Class B	7,500	3,750
Surplus for year	....	....
Add: Prev. surplus ...	*85,000	33,546
Less: Sales tax adjust.	5,655	....
Workmen's Comp. adj.	3,460	....
Surplus forward	15,908	85,010

*Deficit.

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North American Elevators Earns Interest 3.42 Times

North American Elevators Ltd. has earned $116,594, available for bond interest and depreciation, during the nine months ended January 31, 1931. Bond interest requirements amounted to $34,125 for the period and therefor earned 3.42 times. The company opened its elevator at Sorel, Que. in May, 1930.

In the period ended December 31, 1930, the company had earned $106,932 so that during January alone the net earnings available for bond interest and depreciation amounted to $9,662. Revenue during the winter months is derived entirely from storage and grinding of cattle food for farmers in the surrounding territory. The elevator is full to its 2,000,000 bushel capacity and six grinders are operating full time.

METAL PRICES

New York—February 17:
Copper: Electrolytic spot, 10c lb.
Lonon—February 17:
(Long ton):
Copper: Electrolytic spot, £48 10s.; future £49. Standard spot, £45 15s.; future, £45 15s.
Tin: Spot, £118 10s.; future £120.
Lead: Spot, £13 10s.; future £13 12s. 6d.
Zinc: Spot, £11 2s. 5d.; future £11 12s. 6d.
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BRITISH AMERICAN BANK NOTE COMPANY LIMITED
MONTREAL OTTAWA TORONTO

Canadian Quotations--Cont'd.

Winnipeg Grain Prices

Week to February 17

High Crop year	Low		Open Feb. 11	High for week	Low for week	Close Feb. 17
		Wheat				
1.13⅝	.52½	May	.66	.66	.61	63
.77¼	.54	July	.68	.68	.62⅝	.64⅝
.70¾	.57⅞	October	.69¾	.69¾	.64½	.66½
		Oats				
.52	.26⅜	May	.29⅜	.31⅜	.29¼	.31⅝
.33½	.26⅜	July	.29⅝	.30⅝	.28¾	.30⅝
.32⅝	.27⅝	October	.30⅝	.32⅝	.30¼	.32¼
		Barley				
.49	.21⅞	May	.25	.25	.24	.24⅝
.32½	.23¼	July	.26⅞	.26⅞	.25⅝	.26⅛
.31	.25½	October	.29	.29	.28	.29⅝
		Flax				
1.32½	.94¼	May	.98¾	1.01⅝	.95½	1.00⅝
1.11	.95½	July	1.00¾	1.03⅝	.97	1.02½
1.05¼	.99½	October	1.02¾	1.05¼	1.00⅛	1.05
		Rye				
.71	.25¼	May	.31½	.31⅜	.29¼	.31
.75	.28⅝	July	.33⅝	.33⅝	.31	.32½
.34¾	.31⅝	October	.36	.36	.33½	.34⅝

Mining Stock Quotations

Week Ending February 16

Par Val.	Range High	1931 Low	Company	Close Feb. 9 (or last)	High for week	Low for week	Close Feb. 16
1	.23	.13½	Abana	.15	.17	.14	.16½
1	.02	.01	Aconda	.01½	.01½	.01¼	.01¼
None	*.50	.32	Aladdin	.33	....	....	....
None	.12	.12	Aldermac	.40	.12	.12	.12
1	.05	.01¾	Algonquin	.04	.05	.03½	.04¾
1	.02	.01	Amity C.	.02	.02	.02	.02
None	.38	.30	Amulet	.33	.36	.32	.36
1	.01¼	.01	Apex	.01¼	.01¼	.01¼	.01½
1	.02½	.01¼	Area	.02½	.02½	.02¼	.02½
1	*.02	.00¼	Argo. Cons.	.00½	....	....	....
1	.02½	.01¼	Arno	.02	.02¼	.02	.02
1	*.03	.00½	Astoria	.00¾	....	....	....
1	.02	.00½	Atlas	.00¾	.01½	.00¾	.01½
1	.02¾	.01¼	Baldwin	.02¼	.02½	.02	.02½
1	.17½	.08	Barry Holl.	.15	.16	.15	.16
None	1.25	1.00	Base Metals	1.05	1.10	1.00	1.05
None	.03	.00¾	Bathurst	.02¾	.03	.02½	.02½
5	1.75	1.75	B'Wana	1.75	....	....	....
1	*.32	.12	Bedford	.15	....	....	....
1	.28	.26	Ben Nevis	.27	....	....	....
None	.08	.03½	Bidgood	.07	.08	.06¼	.07
1	.50	.39	Big Missouri	.47½	.49½	.45	.47¼
1	.06½	.02	Bobjo	.05	.06½	.05	.06½
None	.00½	.00½	Boischatel	.00½	.00½	.00½	.00½
1	.08	.02½	Brett Trethewey	.05	.04¼	.04½	.04½
1	*.06	.03	Brit Canadian	.06	....	....	....
None	.07	.04½	Brownlee	.05	.07	.04½	.06
1	.02	.00½	Buckingham	.01	.02	.01½	.01½
1	.08½	.03	Bunker Hill	.04½	.04	.03½	.04
None	.03	.03	Cal. Fin Flon.	.03	....	....	....
1	.02	.02	Cambro Kirk.	.02	.02	.02	.02
None	.05½	.04	Canam Metals	.05	.05½	.04	.05½
1	.05	.01½	Can. Kirk	.04	.05	.04	.05
1	*.02	.02	Can Lorraine	.02	....	....	....
1	.15	.14	Canusa	.14	....	....	....
1	*.03	.00½	Capital R.	.00½	....	....	....
1	.22	.18	Castle Tre.	.18	.18	.18	.18
1	.13	.03	Cen Manitoba	.08	.08½	.07½	.08
1	.05	.02¾	Cen Patricia	.04¼	.05	.04½	.04½
	.01½	.01½	Champion R.	.01½	....	....	....
1	*.07	.01½	Chaput H.	.04½	....	....	....
None	.30	.02	Chib Pros.	.20	.28	.20	.28
None	.08	.04	Clericy	.04½	.05½	.04¼	.04½
5	7.00	4.00	Coast Copper	5.00	7.00	4.50	6.50
1	.03	.02	Cobalt Contact	.02½	....	....	....
1	.00¾	.00¾	Col. Kirk	.00¾	.00¾	.00¾	.00¾
1	.22	.05	Columario	.19	.21	.18	.19¾
5	.65	.50	Coniagas	.65	....	....	....
5	.62	.50	Coniarum	.50	.60	.50	.60
25	152.00	133.00	Cons Smelter	136.00	152.00	137.00	151.00
1	.02	.00½	Corona	.01¼	....	....	....
1	.02½	.00½	Crown Res.	.01¼	.02	.01¾	.02
None	.13	.03	Dom. Explor.	.04	.13	.04	.11
None	11.40	9.00	Dome Mines	11.10	11.40	10.85	11.00
1	.01	.00½	Dom. Kirk	.01	....	....	....
1	.00½	.00¼	Don Rouyn	.00½	....	....	....
1	.01	.00½	Dunkin	.01	....	....	....
1	.02	.00½	Duprat	.01½	.01¼	.01¼	.01¼
1	.69	.20	Eldorado	.41	.69	.41	.60
1	*.01	.00½	Everett	.00½	....	....	....
None	1.62	1.38	Falconbridge	1.38	1.55	1.40	1.55
1	.08½	.02¼	Federal	.07	.07¾	.06	.07¼
None	.01½	.00½	Flintoba	.01	.01½	.00¾	.01
None	.22½	.15	Gem Lake	.20	.22½	.20	.21½
None	.03	.03	Gilbec	....	.03	.03	.03
1	.04½	.02¾	Goldale	.04½	.04½	.04½	.04½
10	.22	.15	Goldfield	.15	.20	.17	.20
1	.01¼	.00½	Gold Hill	.01	.01	.01	.01
1	.06	.02¼	Goldfish	.04	.05	.04	.05
1	.03	.00¾	Graham	.01½	.03	.02	.03
None	1.85	1.40	Granada	1.75	1.76	1.74	1.75
1	*.01	.00¼	Grover Daley	.00½	....	....	....
1	.07	.06	Grozelle	.07	.06¾	.06¾	.06¾
1	.02	.01	Harker	.01	.02	.02	.02
1	*.18	.10½	Hayden	.10½	....	....	....
1	.01	.00½	Hilltop	.01	.01	.00½	.01
5	8.70	6.00	Hollinger	8.50	8.60	8.20	8.40
1	.38	.25¾	Howey Gold	.34	.35	.30	.34
None	5.60	4.10	Hudson Bay	4.50	5.60	4.50	5.05
None	*.31	.30	Huronian	.31	....	....	....
None	17.25	13.87	Int. Nickel	15.37	17.25	15.25	16.50
1	.03	.01¼	Jackson M.	.01½	.03	.01½	.02
1	.28	.25	Keeley	.27	.27	.27	.27
1	.02½	.01	Keora M	.02½	.02½	.01¾	.02
1	.01	.01	Kirk. Hunt.	.01	.01	.01	.01
1	.80	.55	Kirk. Lake	.70	.73	.69	.70
1	.03	.00½	Kirk. Prem.	.01½	.03	.01½	.02
20c.	.02⅛	.01	Koot. Flor.	.01½	.02⅛	.01½	.02
1	.01½	.00⅛	La Rose	.00⅛	....	....	....
1	26.90	23.50	Lake Shore	26.20	26.50	26.05	26.35
1	.02	.01	Laval	.01¼	.02	.01¼	.01½
1	.02½	.01½	Lebel Ore	.02¼	.02	.02	.02
1	*.01	.00¼	Lorraine C.	.00½	....	....	....
1	.18	.10	Macassa	.15	.16¾	.16	.16
1	.12	.02	Malartic	.06½	.12	.06	.11½
None	.15	.06	Mandy	.11	.15	.10	.15
None	.04	.02	Man. Basin	.03½	.04	.03	.03½
None	*.30	.12	McDougall	.15	....	....	....
1	.40	.30	McKinley	.33	.45	.31	.45
5	24.00	20.50	McIntyre	22.85	23.00	22.50	22.90
1	.29	.29	McMillan	.29	....	....	....
1	*.30	.04	McVittie	.04	....	....	....
5	2.05	1.46	Mining Corp.	1.90	2.05	1.95	1.95
1	.01¾	.00½	Mint Ore	.00½	....	....	....
1	.04¼	.01	Moffatt Hall	.04	.03½	.03	.03½
1	.03½	.02½	Moneta	.03½	.03½	.02½	.03½
1	*.07	.00¼	Metl. Rouyn	.00½	....	....	....
1	.33	.20	Moss	.31	.33	.31	.33
1	.06	.01	Murphy	.03⅛	.06	.04	.05½
1	.06½	.05	Newbec	.05½	.06½	.05	.05½
1	.02½	.02	Night Hawk	.02	.02	.02	.02
5	1.55	1.15	Nipissing	1.50	1.55	1.45	1.55
None	18.10	14.00	Noranda	17.25	18.10	16.90	17.15
1	.41	.30	Nor. Canada	.36	.35½	.35	.35
None	.02	.01	Old Colony	.01½	.02	.01½	.01⅛
1	.00¾	.00¾	Ophir	.01	.00¾	.00¾	.00¾
1	.10¾	.05	Oriole	.06½	.06¾	.05	.05
1	.15¾	.08½	Osisko	.14	....	....	....
1	.04¾	.01½	Pawnee Kirk.	.03¼	.04¾	.03½	.03⅞
None	1.45	.70	Pend. Ore.	.81	1.45	.91	1.19
1	.04¼	.02½	Pete Cobalt	.03¼	.03⅞	.03¼	.03½
1	.01¼	.00¼	Picard	.01	.01	.00¾	.00¾
1	.07	.07	Pioneer	....	.07	.07	.07
1	.01½	.00½	Porc. Crown	.01	.01	.01	.01
1	.01	.00½	Potter Doal	.00¾	.01	.00½	.01
1	.77	.65	Prem. Gold	.72	.75	.70	.75
1	.02	.01	Preston E. Dome	.01	.02	.01¼	.02
1	.15	.15	Quemont	.15	.15	.15	.15
1	.01	.00½	Ribago	.01½	....	....	....
1	.28	.24	Rich. Rock	.28	....	....	....
1	.12⅛	.03½	Ritchie	.10¾	.12⅛	.10	.12¼
1	.04	.03	R. Montbray	.01	.04	.03	.03
1	*.08	.01	Salmo Mal.	.01¼	....	....	....
None	.18½	.10¾	San Antonio	.18½	.18½	.15	.16
1	.20	.18	Seven Troughs	.20	.20	.20	.20
1	1.10	.75	Sherritt G.	.91	1.00	.88	.99
1	.54	.36	Siscoe	.46	.47	.40½	.41½
1	.06½	.03¼	So. Keora	.05	.06½	.03½	.05½
None	.05	.02½	Stadacona	.04	.04¾	.03	.03
1	.20	.03½	St. Anthony	.16	.15½	.10	.15½
1	*.25	.11	Stewart Abate	.11	....	....	....
None	.80	.51	Sud. Basin	.70	.70	.65	.65
1	.03	.01	Sud Contact	.01	.03	.02	.02
1	.01¾	.00½	Sudbury M.	.01	.01¾	.01	.01¼
None	.04¾	.01	Sudbury N.	.01	.04¾	.03	.03
1	.25	.25	Sunloch	.25	....	....	....
1	.72	.48	Sylvanite	.68	.17	.68	.68
1	.07½	.04½	Tashota	.07½	....	....	....
1	7.35	6.15	Teck Hughes	7.10	7.15	6.85	6.95
1	.10	.04	Telluride	.09	.10	.08½	.10
1	*.03	.02	Temiskaming	.02	....	....	....
1	.05¼	.02½	Thom Cad'c.	.05	.05¼	.04	.04½
1	.02½	.00½	Tough Oakes	.01½	.01½	.01	.01½
1	.26	.20	Towagmac	.22	.26	.25	.26
None	2.65	1.00	Treadwell	2.15	2.65	2.15	2.50
None	2.85	2.50	Tri-Metals	2.70	2.85	2.70	2.85
	.09¼	.04½	United Kirk.	.05	....	....	....
	.03	.02	Vacuum Gas	.03	.02	.02	.02
None	.60	.40	Ventures	.49	.58½	.49	.55
1	*.50	.10	Vickers	.10	....	....	....
1	1.22	.99	Vipond	1.11	1.14	1.10	1.11
None	2.00	1.65	Waite Ack.	1.71	1.85	1.78	1.78
1	*.03	.01	West D. Lake	.01½	....	....	....
	.01	.01	West Tree	.01	....	....	....
1	.26½	.19	White Lake	.22	.24	.21	.22
1	.04½	.04	Wiltsey	.04	....	....	....
None	.00½	.00½	Windfall R.	.00½	....	....	....
None	.10	.10	Wood Kirk.	....	.10	.10	.10
None	2.38	1.85	Wright-Har.	2.18	2.25	2.18	2.24

WESTERN OIL STOCKS

Par Val.	Range High	1931 Low	Company	Close Feb. 9 (or last)	High for week	Low for week	Close Feb. 16
1	.29½	.16	Acme	.19	.24	.18	.19½
1	*2.10	2.00	Admiral	2.00	....	....	....
None	.50	.50	Advance	.50	....	....	....
1	.35	.26	Alta. Pac.	.30	.31	.26	.26
1	.08	.07	Amalgamated	.08	....	....	....
None	.25	.15	Associated	.16	.20	.15	.16
1	1.89	1.40	Ajax	1.42	1.70	1.40	1.55
None	.12	.06½	Baltac	.08½	.08	.06½	.07½
1	.07	.07	Black Dia.	.07	....	....	....
1	.33½	.26	Brit. Dom.	.33	.32	.30	.30
1	.32	.22	Calment	.24	.24	.22	.23
None	.82	.56	Calgary & Ed.	.73	.82	.70	.73
1	.47	.23	Comm. Pete.	.32	.32½	.23	.24
None	.25	.10	Cypress	.12	....	....	....
None	.60	.45	Dalhousie	.53	.55	.51	.51
None	.07	.05	Devenish	.07	.06	.06	.06
None	.12	.09	Dome Oil	.11	.11	.09½	.10
None	.69	.47	E. Crest	.55	.57	.50	.50
1	.03½	.02½	Fabyan Pete.	.03½	.03½	.03	.03
None	.50	.40	Foothills	.40	.50	.50	.50
None	.18½	.15	Freehold	.16½	.16½	.15	.15
1	.02	.02	Great West	.02	.02	.02	.02
None	.17	.10	Hargal	.12	.12	.10	.11
None	.10	.09	Herron Pete.	.09	.10	.10	.10
None	.07½	.06	High Sarcee	.07½	.07½	.07	.07
None	2.00	1.50	Home	1.55	1.70	1.50	1.55
None	.22	.15	Homestead	.21¼	.21½	.18½	.19
1	.08¾	.05	Ill. Alta.	.07¼	.08	.06	.06
None	.70	.45	Lowery	.70	....	....	....
1	.05	.03½	Madison	.03½	.03½	.03¼	.03½
1	.85	.71	Mayland	.74	.78	.71	.71
None	.11	.08	McD. S. Ex.	.10	.10	.08	.08½
1	.29	.25	McD. S. M.	.25	....	....	....
1	.72½	.49	McLeod	.60	.56½	.49	.50
None	.39	.25	Mercury	.30¾	.31	.25	.26
None	.20	.15	Merland	.17½	.18	.15½	.16
1	.18	.15	Mid West	.15	....	....	....
None	.38	.29	Mill City Pete	.35	.32	.29	.29
1	.49	.30	Model	.44½	.47	.40	.40
1	.18	.12	Monalta	.16	.18	.16	.16
1	.31	.07	Moose M.	.07	.07	.07	.07
1	.02	.02	New Federal	.02	.02	.02	.02
None	.42	.26	Nordon	.28	.30	.27	.29
None	.08	.02⅛	Oil Select	.04	.07	.04	.06½
None	.28	.21	Okalta	.25	.25	.21	.21
100	27.00	27.00	Do., Pref.	27.00	....	....	....
None	.10	.05	Olga Gas & Oil	.07	.07	.06½	.06½
1	.37½	.21	Petrol	.36	.37	.35	.35
	.16	.16	Penn. Pete.	.16	....	....	....
None	.20	.12	Ranchmen's	.15	.20	.17	.20
1	.05	.03	Regent	.03	.03	.03	.03
None	.13	.09	Richfield	.11	.11½	.11	.11
None	17.75	15.00	Royalite	17.75	17.50	16.50	16.50
1	*.46	.20	Sarnia Oil	.20	....	....	....
1	*.50	.15	Sioux City	.15	....	....	....
1	.06	.04¾	Signal Hill	.05½	.05½	.05	.05
1	.60	.40	Spooner	.55	.55	.52	.52
None	.27	.20	So. West Pete.	.24	.26	.26	.26
None	.19	.15½	Sterling Pac.	.17	.18	.15½	.15½
	*.20	.05	Turner Basin	.20	....	....	....
1	.16	.14	Turner Valley	.16	.14	.14	.14
None	.31	.25	United	.26½	.27	.26	.26½
None	*.83	.19	Vanalta	.19	....	....	....
1	.15½	.13	Vulcan	.14	.14	.13	.13
None	.05	.01½	Wainwell	.02½	.02½	.02	.02¼
1	.26	.18	Waite Valley	.26	.26	.24	.26
	*.62	.50	Wellington	.50	....	....	....

VANCOUVER STOCK EXCHANGE
(Transactions for Week to February 11)

Par Val.	Range High	1931 Low	Company	Close Feb. 9 (or last)	High for week	Low for week	Close Feb. 16
25c.	.01	.01	Bayview	.01	....	....	....
25c.	.02¼	.01	Beaver Silver	.02¼	....	....	....
25c.	.02½	.02	Bluebird	.02	.02½	.02¼	.02¼
25c.	.01	.00¾	Cork Province	.00¾	.01	.01	.01
1	.20	.15	Cotton Belt	.15	.18	.18	.18
1	.10	.10	Duthie	.10	....	....	....
1	.65	.60	George Copper	.60	.65	.65	.65
50c.	.05	.03	Geo. Enterprise	.05	.03	.03	.03
1	.02¾	.01¾	Georgia River	.02¾	.02¾	.01¾	.02¾
50c.	.02½	.02½	Glacier	.02½	....	....	....
10c.	.01	.01	Gladstone	....	.01	.01	.01
1	.40	.31	Golconda	.35	.35	.31	.34
50c.	.05	.03	Grandview	.04	.05	.03	.05
1	.17½	.17½	Inter. Coal	.17½	....	....	....
1	.01½	.01	Independence	.01	.01	.01	.01
1	.01	.01	Indian Mines	.01	.01	.01	.01
1	.43	.43	Jack Waite	.43	....	....	....
25c.	.00¾	.00¾	L. & L.	.00¾	....	....	....
1	.12	.12	Los Ang. Van.	.12	....	....	....
25c.	.00½	.00½	Lakeview	.00½	.00½	.00½	.00½
10c.	.03½	.01½	Lucky Jim	.02½	....	....	....
25c.	.01½	.01	Kootenay King	.01½	....	....	....
2.50	*.14	.05	Marmot Gold	....	....	....	....
25c.	.00¾	.00¾	Mohawk	.00¾	....	....	....
1	*.47	.29	Montana Mines	....	....	....	....
1	.05	.03	Morton Woosley	.04	.03½	.03	.03
50c.	.02½	.02	National Silver	.02½	.02½	.02½	.02½
50c.	.08¼	.04½	Noble Five	.05½	.08¼	.05½	.08
50c.	.06	.05	Oregon Cop.	.06	.05¼	.05¼	.05¼
1	1.60	1.23	Pioneer Gold	1.46	1.60	1.45	1.60
1	.16	.06	Planet	.07	.07	.06	.06
50c.	.08½	.07	Porter Idaho	.08	.07½	.07	.07
None	.01	.00¾	Premier Border	.01	.00¾	.00¾	.00¾
None	.45	.20	Reeves McD.	.20	.45	.25	.45
1	.20	.12	Reno Gold	.18	.19	.17	.19
1	.02¼	.02	Rufus Argenta	.02¼	.02⅛	.02⅛	.02⅛
1	.04½	.04	Ruth Hope	.04½	....	....	....
1	*.35	.06	Silverado	....	....	....	....
25c.	.02	.01½	Silver Crest	.02	.01½	.01½	.01½
20c.	*.05	.05	Silversmith	.05	....	....	....
50c.	.05	.01⅛	Snowflake	.03½	.03½	.03	.03½
1	*.02	.02	Terminus	.02	....	....	....
50c.	.01½	.01¼	Topley Rich.	.01¼	.01½	.01½	.01½
5	*.50	.50	Toric	.50	....	....	....
20c.	.01	.01	Wellington	.01	....	....	....
1	.05	.05	Whitewater	.05	....	....	....
None	.01¾	.01	Woodbine	.01¾	.01¾	.01¾	.01¾

*Quotations for 1930. No sales recorded in 1931 to date.

DIVIDEND PAYERS

	Rate	Yield		Rate	Yield
Cons. Smelters	$12.50	8.27	Nipissing	30c.	19.35
Dome Mines	$1	9.09	Premier	12c.	16.00
Hollinger	65c.+5c.	8.33	Spooner Oils	6c.	....
Inter. Nickel	60c.	3.63	Sylvanite	$2	2.94
Lake Shore	$1.20+30	5.69	Teck Hughes	60c.	8.63
McIntyre	$1	4.41	United Oils	5c.	....
Model Oils	12c.	....	Wright-Har.	5c.	....

ANNUAL REPORT

The British American Oil Company Limited

TO THE SHAREHOLDERS:

The report of the Company's operations for the year 1930 is herewith submitted.

Profits for the year are much the same as last year, except for the fact that a special reserve on account of Western business conditions has been set up, and this, with interest and expenses in connection with the debenture issue, together with an increased depreciation over last year, has reduced the net amount to the figures shown. However, in computing profit per share it should be remembered that the Company split the shares two for one on the 1st of April, 1930.

It will be remembered that last year, owing to the requirements of the debenture issue, the amount for good-will of the Western oil business, which we purchased about ten years ago, and Western Canada oil leases, was set out separately. As was pointed out, however, we had an appraisal of all our properties as of December 31st, 1929, and the appreciation and value of our properties was such, even at depreciated values, that the above noted item could be wiped out and a very large amount left in reserve.

Our oil-producing properties, both actual and prospective, in Oklahoma and Texas, are extremely valuable, but we have taken no credit for this in our statement beyond the cost of same; neither have we taken credit for about One-half Million Dollars of earnings from these properties. If the pro-ration should be lifted, even to a limited extent, a large amount of money might be realized from this source during this year to add to our regular profits of refining and distributing.

A detailed explanation of the items appearing in the Balance Sheet and of the operations of the Company throughout the year will be made at the Annual Meeting of Shareholders to be held February 17th.

A. L. ELLSWORTH, President.

February 7th, 1931.

THE BRITISH AMERICAN OIL COMPANY LIMITED and THE BRITISH AMERICAN OIL REFINERIES LIMITED

Consolidated Balance Sheet as at 31st December, 1930

ASSETS

Refinery Plant and Equipment; all Branches and Storage Distributing Stations, Service Stations and Equipment; Tank Cars; Motor Trucks and Automobiles	$17,715,667.87		
LESS: Reserves for Depreciation	5,145,087.08		
		$12,570,580.79	
†Crude Oil Leases and Good-will		2,314,125.11	
Mortgages Receivable, less provision for losses		668,878.67	
			$15,553,584.57
Investments in and Advances to Associated and other Companies			3,142,258.13
Cash in Bank and on hand at Head Office and Branches, and in Transit		$ 1,155,690.34	
Accounts and Bills Receivable, less provision for Doubtful Accounts		3,767,605.79	
Inventories		4,083,404.79	
			9,006,700.92
Deferred Charges:			
Tools and Supplies, Repair Parts and Advertising Supplies		$ 81,682.87	
Prepaid Insurance, Taxes and Sundry Charges		76,984.15	
Advances to employees for Expenses		14,142.18	
			172,809.20
			$27,875,352.82

†See report in explanation of this item.

LIABILITIES.

CAPITAL STOCK:		
Authorized: 3,200,000 shares of no par value	....	
Issued: 2,622,642 shares of no par value	$10,618,117.50	
Surplus	8,054,886.70	
		$18,673,004.20
Fifteen-year 5% Convertible Sinking Fund Gold Debentures, due 1st March, 1945		5,000,000.00
Mortgages payable		76,873.13
Dividend payable 2nd January, 1931	$ 524,528.40	
Bank Loan	1,850,000.00	
Accounts Payable and Accrued Charges, including Sales and Gasoline Taxes	1,433,712.29	
Interest Accrued on Debentures	83,333.33	
Reserved for Dominion Income Tax	233,901.47	
		4,125,475.49
		$27,875,352.82

Approved on behalf of the Board, A. L. ELLSWORTH, Director, S. R. PARSONS, Director.

AUDITORS' CERTIFICATE

We have examined the Head Office books and accounts of The British American Oil Company Limited, and The British American Oil Refineries Limited, as at 31st December, 1930, and have incorporated in the above Consolidated Balance Sheet the signed return for 26th December, 1930, of the Western Canada Division, whose accounts were last examined by us as at 26th November, 1930.

We certify that, subject to the value of the investments in and advances to Associated Companies, the above Balance Sheet is, in our opinion, properly drawn up so as to exhibit a true and correct view of the Companies' affairs on 31st December, 1930, according to the best of our information and the explanations given us.

We have received all the information and explanations we have required.

CLARKSON, GORDON, DILWORTH, GUILFOYLE AND NASH,
Chartered Accountants.

Toronto, 14th February, 1931.

Consolidated Surplus and Profit and Loss Account, 31st December, 1930

Balance as at 31st December, 1929, after providing for Discount and Expenses of Debenture Issue of 1st March, 1930			$ 7,504,966.64
Profit for year ending 31st December, 1930, before providing for Debenture Interest, Depreciation and Dominion Income Tax		$ 4,111,215.44	
Less: Debenture Interest	$ 208,333.33		
Depreciation	1,017,848.45		
Dominion Income Tax	237,000.00		
		1,463,181.78	
			2,648,033.66
			$10,153,000.30
Four Quarterly Dividends for the year			2,098,113.60
Balance as at 31st December, 1930			$ 8,054,886.70

REED, SHAW & McNAUGHT LIMITED
INSURANCE BROKERS and FIRE PROTECTION ENGINEERS
Royal Bank Bldg. — Montreal
64 Wellington St. West — Toronto

GEORGE F. HARDY
Consulting Engineer
305-309 Broadway, New York City, N.Y.
Member:
Amer. Soc. C.E. Amer. Soc. M.E. Eng. Inst. Can.
Consultation, Reports, Valuations, Estimates
Paper and Pulp Mills, Hydro-Electric and Steam Power Plants, Plans and Specifications

HARDY S. FERGUSON AND COMPANY
Consulting Engineers
200 Fifth Avenue, New York City
Hardy S. Ferguson, Member A.S.C.E., A.S.M.E., E.I.C.
Moses H. Teaze, Member A.S.M.E., E.I.C.
J. Wallace Tower, Member A.S.C.E., A.S.M.E.
Pulp and Paper Mills *Power Developments*

ESTABLISHED 1908
ROBERT DODD & COMPANY
INCORPORATED
Investment Bankers
The Royal Bank Building, Montreal
HArbour 8141-2

HAMILTON BRIDGE COMPANY
LIMITED
Designers, Fabricators and Erectors
of every class of
Structural Steel Work
Head Office and Works:
HAMILTON - CANADA

Abitibi Power & Paper Company, Limited
TORONTO, ONT.
Owning and operating mills at
Murray Bay, Que. — Sault Ste. Marie, Ont.
Beaupre, Que. — Iroquois Falls, Ont.
Sturgeon Falls, Ont. — Smooth Rock Falls, Ont.
Espanola, Ont. — Fort William, Ont.
Pine Falls, Manitoba
Daily Capacity 2200 Tons Newsprint
Groundwood Pulp — News Sulphite Pulp
High Grade Bleached Sulphite Pulp

CANADIAN VICKERS LTD.
Aircraft Ships Engines
Structural Steel
Boilers Mining Machinery
General Engineering
25,000 Ton Floating Dry Dock
Head Office and Works:
MONTREAL — CANADA

The
Canada Power & Paper
Corporation
Total Daily Capacity of Plants:
2,464 Tons of Newsprint
130 Tons Pure Kraft Paper
130 Tons Pure Sulphate Pulp
also producing
CARDBOARD, INSUL BOARD, WRAPPER and SULPHITE and GROUNDWOOD PULPS
SAW MILLS AT PEMBROKE, ONT., producing White Pine, Red Pine and Spruce Lumber Pickets, Laths, etc. — Annual Capacity of 25,000,000 F. B. M.
Successor and Operating Company of
Belgo-Canadian Paper Company Limited, Shawinigan Falls, Que.
St. Maurice Paper Company Limited, Cap de la Madeleine, Que.
Laurentide Company Limited, Grand'Mere, Que.
Laurentide-Ottawa Company Limited, Pembroke, Ont.
Port Alfred Pulp and Paper Corporation, Port Alfred, Que.
Wayagamack Pulp and Paper Co. Ltd., Three Rivers, Que.
Anglo-Canadian Pulp and Paper Mills Limited, Quebec, P.Q.

Head Office:
MONTREAL QUEBEC

Canadian Pulp and Paper Industry

WAY'MACK NEWS PLANT ACTIVITIES WELL MAINTAINED

Mill of Port Alfred Pulp and Paper Closed Indefinitely

From Our Own Correspondent

MONTREAL. — Wayagamack News Ltd., wholly owned subsidiary of Wayagamack Pulp & Paper Co., is reported to be operating at a fair rate of capacity. Activity in this, the newsprint division of the parent company is said to be on a better scale than that of the kraft mill.

Wayagamack Pulp & Paper is controlled by Canada Power and Paper Corp. and was acquired in October, 1929, at the same time as Port Alfred Pulp and Paper Co. The company is faring better than its contemporary, since Port Alfred mills are closed.

Wayagamack is primarily a kraft producer but through Wayagamack News it has a daily productive capacity of 170 tons of newsprint and 150 tons of groundwood pulp. Manufacture of newsprint was commenced in 1925.

Shut-down of Port Alfred Pulp and Paper mills has taken a daily output of 500 tons of newsprint off the market. Other of Canada Power and Paper's properties are closed or operating on short time.

Kraft Situation Poor

There is no improvement apparent in the kraft industry in which a situation exists similar to that which prevails in the newsprint industry. Competition from mills in the Southern States and price cutting has unstabilized the market while business conditions have resulted in a sharp drop in the demand for wrapping paper.

Wayagamack is the largest single entity in the kraft industry in the British Empire. The mill has a daily productive capacity of 240 tons of kraft pulp and 130 tons of kraft wrapping paper. The company has published no earning figures since its acquisition by Canada Power and Paper Corp., profits being consolidated with those of the parent company.

Reports previous to the consolidation showed earnings equal to $7.46 a share on the common stock in 1928. Shareholders received one and one-half common shares and $50 principal amount of 5½ per cent debentures of Canada Power and Paper in exchange for one share of Wayagamack common.

Newsprint Contract Rate Likely Undergo Change In View of New Pressure

Publishers Pressing Case of Price Readjustment

TREND IS DOWNWARD

Lower Prices and Smaller Tonnage Would Make Outlook Rather Depressing

From Our Own Correspondent

MONTREAL. — It now appears that a new contract price for newsprint will prevail before many months have past. As pointed out in The Financial Post a week ago, the American Newspaper Publishers' Association is actively negotiating to bring about a reduction in prices.

Recent reports have it that the Canadian producers will not be able to hold up the price. Circumstances are such that the publishers' hands are greatly strengthened and that the manufacturers may have to reduce their schedule of rates.

Steady Drop in Price

Since the beginning of 1921 there have been several price changes, and with one exception downward. On January 1, 1921, newsprint was selling at the record contract price of $130 a ton. Four reductions were announced during that year and at the commencement of 1922 newsprint sold for $70. An advance of $5 a ton was scored on January 1, 1923, but six months later a reduction of $2 was put into effect.

There was no change in prices until January 1, 1925, when the contract rate was announced at $70. The following year the price was again cut to $65, which amount remained in force until July 1, when a new rate of $62 was effected. These prices are actually higher than the manufacturer received, as commencing with January 1, 1928, the producers started to allow rebate on freight to destination, ranging from $1 to $8 a ton depending upon the point of shipment.

Big Hearst Contract

In October, 1928, International Paper entered into a contract with the Hearst organization to supply 140,000 tons of newsprint yearly until January 1, 1934. Though no announcement was made as to price, the figure of $50 a ton was frequently mentioned.

It was at this time that the governments of Quebec and Ontario took an interest in the matter of newsprint prices, in consequence of which a new schedule was established on February 26, 1929, calling for a contract price of $55.20 f.o.b. Canadian mill.

Price Increase Fails

An attempt was made in the fall of that year to increase the price of newsprint to $60 a ton, but this was unsuccessful, largely because of the inability of International Paper to agree with the proposal.

The matter was allowed to drop, but in April last, the Canadian manufacturers announced a new rate schedule. This called for the maintenance of price until the end of the year, a $2 per ton increase in 1931; another $2 a ton in 1932 in advance of the 1931 level; and still another $1 a ton in 1933 over the 1932 level, freights allowed in each instance.

There was considerable opposition to this move by the publishers and in view of the lack of co-operation among the principal producers, this schedule had to be withdrawn.

Details of price changes since 1921 follow:

Date:	Contract Price—Ton
January 1, 1921	$130
April 1, 1921	110
July 1, 1921	95
October 1, 1921	80
January 1, 1922	70
October 1, 1922	70
January 1, 1923	75
July 1, 1923	73
January 1, 1924	73
July 1, 1924	73
January 1, 1925	70
January 1, 1926	65
January 1, 1928	65‡
July 1, 1928	62
October, 1928 (Hearst)	?
February 26, 1929	55
November, 1929—Tried to raise rate.	
April 10, 1930—Tried to raise rate.	

‡Part of freight allowed to destination from then on.

Develop Excess Capacity

Meantime the development of the Canadian newsprint industry, has gone on apace. New machines were installed, rated capacity advanced steadily, and soon there was an excess capacity.

Working on the basis of supply and demand, the publishers contend that the price of newsprint should come down in line with the drop in other commodity values. The position of the manufacturer has been made more difficult by the fact that his operating costs have been cut appreciably and that operations have been curtailed through the lower consumption of newsprint and the distribution of new business over a larger number of machines.

Operating Ratio Declines

The manner in which operations have been curtailed is well illustrated by the following tabular matter, which shows the high and low percentage of operations between 1924 and 1930, together with the rated capacity of the machines installed:

	Operating Range Per Centum High	Low	Rated Tons Capacity
1924	96.6	85.3	4,871
1925	100.6	89.7	5,317
1926	99.0	92.4	6,818
1927	88.9	80.5	8,500
1928	88.0	78.0	9,897
1929	91.3	77.9	10,748
1930	75.2	59.5	11,940

Price is Important

The matter of price is of considerable importance to the Canadian producers at this time, owing to the low percentage of operations. There does not appear to be any immediate prospect of an increase in demand, so that continued partial operations are expected during the first half of this year.

What the last half of the year will bring, depends largely upon the trend of business conditions this spring. With an improvement in conditions, there is reason to expect that the advertisers would increase space used in the fall and winter.

Lower Tonnage Likely

In any event the volume of orders available for this year will likely be somewhat under that recorded for 1930. And as operating conditions in that period were not conducive to profit making, any material cut in prices this year would be noticeable in profit and loss accounts.

As far as can be learned no Canadian producer has actually cut prices so far, but in view of the minimum price clause in virtually all of the contracts, it is difficult to see how the present level can be maintained.

Newsprint Exports Lower Last Year

From Our Own Correspondent

MONTREAL. — Exports of newsprint from Canada to all countries in 1930 amounted to 2,331,011 tons. This compared with 2,510,634 tons in the preceding year.

Detailed returns show that five markets bought a larger quantity of newsprint last year, but five other markets took less. Particulars follow:

—	Tons 1930	1929
United Kingdom	134,309	178,555
Cuba	9,733	8,212
Jamaica	1,111	973
Argentina	82,285	42,239
Other Latin Amer.	7,795	8,665
So. Africa	15,964	14,451
Australia	45,096	63,136
New Zealand	21,670	23,050
All other	6,707	3,266
Overseas total	325,000	337,547
U. S. A.	2,006,011	2,173,087
Grand total	2,331,011	2,510,634

WOODS MFG. CO. RECORDS DEFICIT FOR PAST YEAR

Defer Preferred Dividend Until Conditions Improve

From Our Own Correspondent

MONTREAL. — Operations of Woods Manufacturing Co. in 1930 resulted in an operating loss, before bond interest and depreciation, of $69,208. After payment of these charges and preferred dividends there remained a deficit for the year of $260,539. Since publication of the report directors have announced their decision to defer payment to dividends on the preferred for the quarter ending March 31. The stock is cumulative.

In the previous year net profits totalled $125,242 and were equal to $8.19 a share on the preferred and $1.07 a share on the common stock. After deduction of the loss in 1930 the company carried forward a surplus of $71,858 as compared with $314,173 at the end of the previous period.

Profit and Loss Figures

Following is a comparison of profit and loss accounts:

	1930 $	1929 $
Net earnings	*69,208	222,266
Less: Depreciation	33,314	33,314
Bond interest	51,036	52,519
Income tax	......	11,191
Net profits	*153,558	125,242
Less: Pref. divds.	106,981	106,981
Surplus for year	*260,539	18,261
Add: Prev. surplus†	332,398	295,912
Balance forward	71,859	314,173

*Deficit.
†Adjusted.

Working Capital Lower

In assets, cash amounts to $7,554, an increase of $5,000, accounts receivable, less reserve, are down from $368,921 to $301,361 and inventories stand the company at $1,085,773 as compared with $1,463,887 in the previous year.

Fixed assets are valued at $3,025,060 an increase of about $5,000 while goodwill is still carried at $1,673, 941. Current assets total $1,429,542, as compared with current liabilities of $454,263, leaving a net working capital of $975,279. This compares with $1,198,461 at the end of 1929.

Bank Loan Reduced

In liabilities, the company's bank loan has been reduced from $331,000 to $225,000 and accounts payable are lower at $217,556 as compared with $328,335. Reserve for depreciation has been increased by about $33,000 to $1,335,484.

Balance at credit of rest account still stands at $300,000 while the balance at credit of profit and loss has been reduced to $71,858. Total assets at $6,178,506 are lower as compared with $6,618,525 at the end of the previous year.

In his remarks to shareholders, W. G. McMahon, vice-president of the company said in part:

"As you are aware, the year just closed has been one of strenuous liquidation and readjustment, with a steady decline in the selling values of all the major commodities during the year, which has materially affected the earnings of your company. A smaller volume of business due to the period of world-wide depression also has contributed to the results of operations during the past year.

"Having regard to the low prices at which the inventory at December 31 was valued, the company is in an excellent position to take advantage of any improvement in business, and it is hoped that the recent tariff changes will result in an increased volume of cotton sales.

"In view of present conditions it is obvious that it will not be advisable to continue the payment of the preferred dividend, and that its resumption must await an improvement in the business."

Newsprint Production Falls Away in January

Operations Continue to Reflect Decline in Advertising Linage—New Machine Installed—Newfoundland Records Gain

From Our Own Correspondent

MONTREAL. — Production of newsprint in Canada during January last was disappointingly small. It had been forecast that production and shipments would reflect the drop in advertising linage in American papers and this is borne out by the actual figures.

According to returns compiled by the News Print Service Bureau production of newsprint last month amounted to 184,339 tons. This compares with 184,735 tons in the preceding month and with 206,305 tons in January a year ago.

Shipments Are Low

Shipments, which are a better index of operating conditions than production, show a more pronounced recession. The amount shipped by the Canadian plants was 180,952 tons —the lowest of any month since February, 1930, and nearly 22,000 tons less than in January of last year.

The most significant feature of the Bureau report, however, is the depressing increase in rated capacity. This figure now stands at 12,376 tons daily, up from 11,940 tons in December. This increase was primarily responsible for bringing down the percentage of operations to 57.3 of capacity—the lowest recorded by the industry in more than a decade.

Rating Increase Surprise

It had been supposed that new machine installations had been stopped. The increase of 436 tons in January came as a surprise, as it had been thought that all new installations had been accounted for.

The increase in rating further complicates an already unsatisfactory situation. With the demand for newsprint dropping to a lower level, the problem of securing additional business to keep these machines busy becames more and more acute. It was regarded as bad enough under the old rating, but the additional tonnage adds to the load carried by the industry.

American Mills Gain

Returns from the American mills for January show an output of 105,527 tons, an increase of approximately 6,300 tons over the preceding month, but about 19,300 tons under the January, 1930, figure. Operations were carried on at 69.1 per cent of rated capacity of 5,658 tons daily, compared with 85.3 per cent on a rating of 5,424 tons in January last year.

Shipments of newsprint from American mills moved up from 99,062 tons in December to 104,769 tons in January. The latter figure, however, is well below the 124,262 tons reported for January last year.

Taking the two countries as a unit, production in January totalled 289,866 tons, the lowest since 1926. Shipments aggregated 285,721, which is under that reported for any January since 1926.

Newsprint Stocks Higher

Stocks of newsprint on hand in both countries at the end of last month totalled 71,671—the highest figure ever reported by the industry of that date. This was divided as 38,768 for Canada and 32,903 for the United States. As compared with a year ago, Canadian mill stocks advanced about 9,000 tons, but those of American plants by 14,200 tons.

Island Mills Advance

One of the bright spots of the January report, was the increase in production reported by Newfoundland. The Island has come ahead steadily as a producer of newsprint in the past four or five years and is now regarded as one of the world's major producers.

For the past month, production amounted to 25,586—a record production for that month and nearly five times as much as was produced in January, 1924.

Record of Output

Following are the production figures of the three principal producers on this continent for the past eight years:

January	Canada	U. S.	Nfld.
1931	184,339	105,527	25,586
1930	206,955	124,851	23,263
1929	214,443	123,822	20,648
1928	187,849	119,525	17,939
1927	161,724	135,395	17,506
1926	139,688	140,003	13,862
1925	121,605	129,442	5,352
1924	110,529	131,172	5,834

PULP PRODUCTION RECORDS DECLINE DURING PAST YEAR

Both American and Canadian Plant Operations Ease Up

From Our Own Correspondent

MONTREAL.—Pulp production in Canada and the United States during the last year recorded an appreciable decline from that reported in 1929.

On the basis of figures supplied by the American Paper and Pulp Association and the Canadian Pulp and Paper Association, groundwood pulp production in the two countries totalled 2,596,372 tons during 1930. This compares with 3,049,739 tons in the preceding twelve months.

Canadian mills reported an output of 1,614,291 tons, compared with 2,007,429 tons in 1929. American plants had a production of 982,081 tons, down from 1,042,310 tons produced in 1929.

Stocks Slightly Higher

At the end of 1930 stocks of groundwood pulp on hand totalled 57,464 tons, compared to 53,877 tons at the end of 1929. Canadian mills had 8,390 tons on hand, or about 1,600 tons less than a year previously. Stock on hand in American plants increased from 43,932 tons to 49,074 tons.

Sulphite Output Off

Sulphite production in Canada and the United States last year totalled 992,008 tons, compared with 1,209,984 tons in the preceding year. Canadian mills accounted for 581,961 tons, a decline from the 747,652 tons produced in 1929. American mills also reported a decrease in production, dropping from 462,332 to 410,04 7tons.

At the end of 1929 stocks of sulphite on hand totalled 14,210, while at the end of the past year the total was 13,811. American stocks increased during this period, from 6,853 tons to 7,020 tons, while Canadian stocks dropped from 7,357 tons to 047 tons.

Nine Newsprint Machines Brought Into Use in 1930

From Our Own Correspondent

MONTRREAL.—Newsprint machine installation in North American mills during 1930 numbered nine, with a daily rated capacity of 1,080 tons. Canada is credited with seven machines, rated at 840 tons, and the United States, the balance.

According to the News Print Service Bureau, installations were made by the following companies: New Brunswick International Paper at Dalhousie, four machines, capacity 480 tons; MacLaren Power and Paper at Buckingham, two machines, capacity 240 tons; Maine Seaboard at Bucksport, two machines, capacity 240 tons; Powell River, one machine, capacity 120 tons.

Spruce Falls Paper Increases Production

From Our Own Correspondent

MONTREAL. — Spruce Falls Power and Paper Co.'s Kapuskasing mill operated three of its four machines during January and produced an average slightly over 410 tons of newsprint per day, establishing a mill average production on four machines of 547 tons per day.

This is regarded as an outstanding achievement, particularly as these machines were formerly rated at 125 tons a day capacity.

Large Fish Catch

Canada's catch of sea fish in 1930 totalled 1,002,022,200 pounds and its landed value to the fishermen amounted to a little more than $23,621,000, according to unrevised statistics prepared by the Dominion Department of Fisheries.

LAKE OF THE WOODS MILLING CO., Ltd.
Makers of FIVE ROSES FLOUR
MILLS AT
Montreal, Brantford, Keewatin, Portage la Prairie, Medicine Hat
DAILY CAPACITY 20,000 BARRELS
President and Managing Director: FRANK S. MEIGHEN, C.M.G. — Vice-President and General Manager: WM. W. HUTCHISON
Directors
G. C. MORRISON — N. J. BREEN — JOHN W. HOBBS
HUGH MACKAY, K.C. — WALTER MOLSON — ISAAC PITBLADO, K.C.
R. W. REFORD — RT. HON. LORD SHAUGHNESSY, K.C. — PAUL F. SISE
G. W. ALLAN, K.C. — HON. RODOLPHE LEMIEUX — J. W. PYKE
Secretary: M. H. HUTCHISON — Treasurer: T. F. McNALLY — Asst. Treas.: A. C. McMILLAN

Thirty-Eighth Annual Report of THE HOME INVESTMENT AND SAVINGS ASSOCIATION

The Thirty-eighth Annual Report of The Home Investment & Savings Association, as submitted to the Shareholders at the Annual Meeting, held on Monday, the ninth of February, 1931, at the Head Office, Winnipeg, showed net profits for the year ended December 31st, 1930, after deducting interest on borrowed capital, expenses of management and Dominion, Provincial and Municipal taxes of $63,305.76

BALANCE SHEET AS AT DECEMBER 31st, 1930

ASSETS

Loans on First Mortgages on improved Real Estate		$1,503,835.94
Agreements for Sale on properties foreclosed and resold		199,694.27
Interest accrued due		35,621.93
Interest Accrued not due		9,868.58
Dominion, Provincial and Municipal Bonds at Market Value and Accrued Interest	$153,588.64	
Industrial Bonds at Market Value and Accrued Interest	42,421.90	
		196,010.54
Home Securities Limited Stock (subscribed $5,000.00)		1,640.00
Cash on Hand and in Bank of Montreal		1,857.71
Real Estate		179,805.65
Home Office Building		120,472.77
Furniture, Fixtures and Automobile		2,534.74
		$2,251,342.13

Mortgages to the amount of $118,314.51 are deposited as collateral for debenture holders.

LIABILITIES

To the Public—		
Debentures and accrued interest		$ 329,159.12
Deposits at Call		303,978.35
Deposits for fixed term		32,755.01
Bank of Montreal		23,000.00
Sundry Accounts Net		12,078.43
		$ 700,970.91
To the Shareholders—		
Capital Stock paid up (Subscribed $1,000,000.00)	$996,325.48	
Reserve Fund	500,000.00	
Contingent Reserve	25,000.00	
Undivided Profits	16,591.68	
Dividend payable Jan. 2, 1931	12,454.06	
		1,550,371.22
		$2,251,342.13

AUDITORS' REPORT

We have to report to the Shareholders that we have audited the accounts of The Home Investment & Savings Association for the year ended December 31st, 1930.

We have verified the Cash and Bank Balances, and have examined the securities of the Association or satisfied ourselves as to their custody.

We have obtained all the information and explanations we have required, and, in our opinion, the transactions of the Association which have come under our notice, have been within the powers of the Association. The accompanying Balance Sheet is, in our opinion, properly drawn up so as to exhibit a true and correct view of the financial position of the Association as at December 31st, 1930, according to the best of our information and the explanations given to us and as shown by the books of the Association.

PEAT, MARWICK, MITCHELL & CO.,
Chartered Accountants.

BOARD OF DIRECTORS

M. F. CHRISTIE, President. — J. L. BATHGATE, Vice-President.
G. W. ALLAN, K.C. — W. A. MATHESON — R. J. GOURLEY
E. H. BENNEST, K.C. — J. A. FLANDERS
Managing Director, W. E. HOBSON

CHRYSLER STRAIGHT EIGHTS
and
A NEW SIX
STYLED LIKE THE EIGHTS

Chrysler Eight Sedan, $1950, f. o. b. Windsor, Ont. (wire wheels extra)

CHRYSLER'S SMARTEST AND FINEST CARS

THE NEW Chrysler Six—big in size, big in power—and the Chrysler Eights, are, in a very true sense, the *Show Cars* of 1931—outstanding in style.

In the new Six, as in the Eights, refreshing smartness is created by an extremely low center of gravity, which also makes for greater safety at all speeds. You actually *feel* safer as you ride along and notice the needless height of other cars.

And performance!—Chrysler performance is as outstanding as Chrysler style. The new Chrysler Six has a 70-horsepower engine. The Chrysler Eight has a 90-horsepower engine. The Chrysler Imperial Eight has a 125-horsepower engine. In addition, the two Eights have an exclusive Chrysler Multi-Range 4-speed transmission with Dual High gears. There are two distinct high gears—one for sprinting in traffic and climbing hills, the other for the open highway. A quick, quiet gear shift makes it easy to shift back and forth between the two "highs" at any speed without clashing.

You'll so completely enjoy a Chrysler that you'll say, just as other owners do, that you have never before known how enjoyable a motor car really could be.

NEW CHRYSLER SIX $1140 to $1150
CHRYSLER EIGHT $1915 to $2130
CHRYSLER IMPERIAL EIGHT $3625 to $4720
All Prices f. o. b. Windsor, Ont., including standard factory equipment (freight and taxes extra)

CHRYSLER CORPORATION OF CANADA, LIMITED
WINDSOR, ONTARIO

Every Chrysler Dealer also Sells and Services
Inherits the Greatness of Chrysler Performance, Dodge Dependability and De Soto Smartness.
PLYMOUTH
48 Horsepower... Internal Hydraulic Brakes... Full-Pressure Lubrication... Safety-Steel Bodies
The big family car value in the lowest-priced field

TIP TOP TAILORS EARN PREFERRED MORE THAN TWICE

Showed $1.11 on Common — Will Pay Dividend When Business Turns

BUYS NEW COMPANY

Pays For It With Stock — Large Factory in Toronto is Now Entirely Paid For

Tip Top Tailors earned in 1930 $17.13 a share on 13,547 shares of 7 per cent preferred stock of $100 par value and $1.11 a share on 112,500 no par value common shares after deducting $17.034 to write off the balance of organization expenses and making other provisions. A reserve of $35,614 was also set up during the year as a reserve against investments to reduce to market value, and $9,896 was appropriated to reduce inventory values to basis of new cost and accounting system established on July 1, 1930.

The number of shares was increased during the year by 2,500 no par value common shares to enable the company to acquire all the outstanding common stock of "a successful and well established clothing business in this province."

INCOME AND SURPLUS ACCOUNT
Years Ended December 31

	1930 $	1929 $	1928 $
Net earp. from oper.*	337,480	692,983	718,981
Less: Deprec.	97,598	58,691	58,862
Res. for inc. taxes	21,300	50,000	54,362
Net profits	218,582	584,292	605,757
Add: Other inc.	30,459	18,615	†5,453
Total net prof.	249,041	602,907	611,210
Less appropriations:			
Pref. divs.	96,481	101,097	76,650
Organ. exp. writ. off and other adjustments	17,033	10,813	......
	135,527	490,997	534,560
Prev. surp.	1,025,556	534,560	......
Balance	1,161,083	1,025,557	534,560
Less: Invest. reserve	35,614	......	......
‡Spec. appro.	9,896	......	......
Bal. car. for.	1,115,573	1,025,557	534,560

† In 1928 this was "Excess of increase in cash surrender value of life insurance policies over premiums paid, etc.

* After charging all expenses of manufacturing, distribution and management.

‡ To reduce inventory values to basis of new cost and accounting system.

The falling off in profits of the company's business for 1930 as compared with the two preceding years is explained by the president, D. Dunkelman, as being "due to the decline in the volume of sales, caused by the depressed business conditions." At January 1, 1931, the company was operating 55 stores as compared with 45 at the outset of 1930.

"It will be seen," says Mr. Dunkelman in his report, "that at January 3, 1931, the company's current assets amounted to $1,469,658 as compared with current liabilities of $484,421, leaving net current assets of $985,236. This is after expending $250,361 for the completion of the payment for the new building and for the equipping of branch stores and after retiring preferred shares of a par value of $72,300. It will be noted that bank loans have been reduced during the year from $394,796 to $250,000."

It may be added that inventories were shown on January 3, 1931, at $997,055 of which raw materials accounted for $722,524 and finished goods to $284,255. Goods in process were $4,317, and there was a deduction of $14,041 for customers' deposits. The sum of $58,722 is provided for purchase of shares for the benefit of employees and there is another sum of $137,500 for investment in subsidiary company.

Will Clear Bank Loans

Fixed assets now stand at $1,975,208 after deducting reserve for depreciation of building and equipment of $214,982. Total assets are shown at $3,699,194.

As the last three years have shown a steady decline in net earnings available for stock, no dividends have yet been paid on the common stock in spite of the fact that they have been earned. The president states in his current report to shareholders, that it would be premature to consider the payment of a dividend on the common stock at the present time but he adds this word of hope. "Just as soon as there are definite signs of an improvement of business and when our bank loans have been retired, the question of a dividend on the common stock will be dealt with."

The bank loans referred to are shown in the current financial statement as follows: bank loan (secured) $50,000; other loans $20,000. Accounts and bills payable are shown at $211,193.

Exchange Secretary

A. E. DARBY

appointed by the Winnipeg Grain exchange as secretary, a position which has been vacant for some months since J. R. Murray, after a brief incumbency of the office, became general manager of the Alberta Pacific Grain Company. Mr. Darby was born in England, and spent a considerable time in newspaper work after his arrival in Canada. He has for a considerable time been secretary of the Canadian Council of Agriculture. On behalf of that body he took an active part in hearings held before the Tariff Commission.

Dominion Bridge Secures Structural Steel Contracts

From Our Own Correspondent

MONTREAL.—Dominion Bridge Co. has received two contracts for structural steel, which though of minor proportions, are indicative of the steady flow of business which gives the company a back log for its major operations Orders include a contract for 200 tons of steel for the structural frame work of the new C. P. R. station in the north end of Montreal and another for a similar amount to be used in connection with erection of an extension to the Notre Dame hospital in Montreal.

Shares of Dominion Bridge Co. have reflected to a slight extent the weakness in the shares of its subsidiary, Dominion Engineering Works. Dominion Engineering shares have receded from a high of 50 this year to current levels of around 39. Dominion Bridge owns about 57 per cent of the stock and derives an income of $285,000 annually in dividends from this source.

STANDARD CLAY EARNINGS HIGHER POSITION BETTER

Earned $3.03 a Share After Deduction of All Charges

From Our Own Correspondent

MONTREAL.—An improvement in operating earnings, net profits and working capital position is revealed in the financial statement of Standard Clay Products, Ltd., for 1930. After all charges, which included a write-off of $5,385 for additional expenditures in connection with the Hume plant, net profits were equal to $3.03 a share on the common stock as compared with $2.56 a share in the previous year. A dividend of 2 per cent on the common has been paid, the same rate as in the preceding period.

Following is a comparison of profit and loss accounts for the past three years:

	1930 $	1929 $	1928 $
Oper. earn.	134,838	124,059	131,907
Bond int.	45,000	44,715	45,000
Depreciation	58,087	56,972	59,344
Tax prov.	3,600	3,140	3,981
*Add. exp.	5,385	......	......
Net profit	22,765	19,232	23,582
Dividends	15,000	15,000	......
Surplus	7,765	4,232	23,582
Prev. surp.	113,264	109,032	85,450
P. & L. bal.	121,029	113,264	109,032

* Expenses Hume plant.

Working Capital Increased

Working capital position at $399,299 is higher by $15,000 with current assets totalling $429,905 and current liabilities $30,676. Included in assets, cash is higher by about $5,000 at $42,440, accounts receivable at $55,318 compare with $16,732 in 1929 and bills receivable are higher by $18,000 at $24,811.

Investments are shown at $83,991 an increase of about $3,000, while inventories have been reduced from $256,926 to $223,344.

Properties are carried at $998,104 as compared with $1,025,237 and total assets at $1,434,105 are higher by about $5,000.

Reduce Funded Debt

In liabilities, accounts payable show an increase of $16,000 at $26,973. First mortgage bonds have been reduced by $20,100 and are outstanding to the extent of $532,400. Surplus totals $121,029 as compared with $113,264.

In his remarks to shareholders, Herbert Molson, president of the company, said in part:

"As will be seen from the statement, your company is able to report progress in its activities. This is particularly gratifying as the period covered by this report coincided with a severe industrial and financial depression."

Canadian Newsprint Needs Total 173,000 Tons

From Our Own Correspondent

MONTREAL.—Canadian publishers' newsprint requirements for 1930 totalled 173,000, as against 218,000 tons in the preceding year.

This estimate is arrived at by the News Print Service Bureau by taking the difference between a production of 2,504,000 tons and exports of 2,331,000 tons.

Canada Northern Power November Output Higher

From Our Own Correspondent

MONTREAL. — Output of Canada Northern Power Corp. in November, 1930, was 32,615,520 kw.h. an increase of approximately 4,000,000 kw.h. over production in the same month in the previous year.

Output for the 12 months ended November 30 totalled 363,341,690 kw.h. as compared with 348,093,597 kw.h. in the year ended November, 1929.

An Audit of Canada

One of a Series of Frank Discussions of the Future Development of the Dominion

By FLOYD S. CHALMERS

ARTICLE FOURTEEN

OUR AMAZING CONQUEST OF RIVER POWER

If there is any one asset we have in Canada that we are most proud to boast about it is water power. And well we might. Water power is truly one of our greatest assets, one that places us in a dominating position in the world; one the importance of which has not been unduly exaggerated.

In regard to water power development in Canada one question has recently asserted itself which may well be the key-note of our discussion. It is a question that has also cropped up in regard to other phases of Canadian economic life — newsprint, asbestos, wheat, etc.; — the question of whether or not there is danger of over-production of electric energy from water power in Canada.

Our hydro-electric power growth has been steady and rapid. In the last seven years the curve of development has arisen most precipitately. And despite the general world trade depression, we have continued to undertake power development. Enormous new installations are being undertaken that promise to maintain the furious pace of growth for the next two or three years at least. Can we make economic use of all this power? Are we in danger of duplicating the experience of the newsprint industry which recklessly exploited our natural resources and by outreaching itself brought colossal financial losses upon investors?

In short, have we too much developed power or are we likely to have too much developed power in the next few years? Fair questions these, that will be frankly faced in this and the succeeding two articles in this series of articles which are an attempt to draw up a balance sheet showing the credits and debits in Canada's economic position.

Some Fear Real Shortage of Power

And yet while occasional doubts may be expressed as to our ability to make effective use of all the new power we are preparing to develop in coming years a more insistent note is fear of shortage of power. We actually have public utility leaders in some areas who foresee an acute shortage of power; who feel that the demand will outstrip the remarkable new supply our new contemplated developments will give us. There is an urge to frank discussion in the contrast thus presented. Those who observe what over-enthusiastic development has done to newsprint securities as well as in other fields wonder if water power is following suit. Those who plot power demand by graphs foresee shortage.

At least this situation is different from some others. At no time when we were busy building new newsprint machines by the dozen did anyone seriously state that the machines were necessary because a serious shortage of newsprint paper impended.

We do know this; some at least of the warning notes on power shortage are inspired by propagandists for the St. Lawrence Waterway who may have allowed their liking for that giant project to prejudice their analysis of the power situation. Some of the talk of power shortage comes too from those with other axes to grind. Such material must be discounted. Fortunately we have more disinterested sources to turn to.

Power is Localized Within Economic Areas

In any discussion of power development or power shortage we must consider geography. Modern engineering has made it possible to transmit power for long distances. The 260 miles of transmission line between the Gatineau River and the City of Toronto do not represent the limit of economical transportation of energy. Large areas must be considered together. But the country can not rightly be considered as a whole. An excess of power capacity in British Columbia obviously does not affect directly investments in Manitoba power plants. An excess in Manitoba might prevail simultaneously with power shortage in Ontario and Quebec.

Growth in Installations is Fantastic

Before we can proceed to an examination of our question we must have before us a picture of hydro-electric power development in Canada.

In 1900, we had developed 173,000 h.p. of hydro-electric energy from water power in Canada. In 1910, the total was just under 1,000,000 h.p. In 1920 it was 2,500,000 h.p. By the end of 1930 it had reached 6,125,000 h.p.

This is truly rapid growth but practically all of this power has been readily absorbed and at times, during this era of rapid growth, there have been acute periods of shortage, localized of course.

Under way are projects that will add 2,000,000 h.p. to bring the total to the impressive figure of 8,000,000 h.p. Discussed as possible early developments are additional projects that would bring the total close to 12,000,000 h.p. without including for the enormous potentialities of the possible St. Lawrence power-seaway development any more than the 500,000 h.p. already under development at the Beauharnois project.

One Horsepower Soon for Each Person

Expressed another way, our power development represented about 140 h.p. thousand population in 1910; about twice that in 1920; nearly four times that in 1930, while by 1935 the turbine installation in per thousand people will be over five times the figure. If we were to assume that all of the contemplated power developments (excluding the St. Lawrence) were to be completed by 1940 we would have in Canada at least 1,000 h.p. per thousand people or one horsepower of electrical energy for every person in the country, an unprecedented utilization of the natural forces of rivers for the provision of fuel and energy.

Despite this tremendous actual and probable early power development in Canada we are by no means in danger of early reaching the limit of our resources. People now living may see 75,000,000 of h.p. or more of hydro-electric energy harnessed in Canada. At the present time turbine installation is just 14 per cent of the known, recorded sources. The capacity of possible capacity of these power sites is estimated at 43,700,000 h.p. It is essential to understand just how this figure is arrived at.

It is possible to estimate the amount of power in any river or waterfall. If the engineer knows the "head" of the water, that is the amount it falls between one point and another on its way to the sea, and if he knows the amount of water passing in any given period he can estimate the theoretical amount of power available. Then by studying variations in the flow, ice conditions, shape of channel, etc., he can make a more practical estimate of the amount of power that could be economically developed. Power is usually estimated on the basis of the ordinary minimum flow of water but by control dams and because of variation in the demand for power it is usually economical to install turbine generators to the full amount of the power available for at least six months in the year. On this basis the estimate of 43,700,000 h.p. has been arrived at.

May be Much More Power Available

But this is only for those water power sites that have been surveyed and measured. Especially in the farther north districts, there are still large power resources as yet unrecorded. With the advance of engineering knowledge, the feasibility of transmitting power at high voltages over long distances has been demonstrated. It is certain that further research will enlarge our estimates of power available. Even many of the rivers now harnessed will be made to provide more power than they are now credited with, for one of the wonders of power development is that the same river may support many power plants along its routes all using the same water but all using it at different levels.

Only the United States has developed more electrical energy from water power than Canada.

Up to the present we have been able to utilize all of the power we have developed practically as it has come into being. It is probably an exaggeration to say, as is often said, that power creates its own customers. Nevertheless available and cheap power is a potent factor in attracting industries. Cheap power also opens up possible uses in homes and on farms that would be denied to a more expensive current. We have in Canada expanded our use of electricity to such an extent that power development has proceeded only slightly in advance of our rapid gain in consumption of current. The pulp and paper industry has been an important customer, so have other industries. Approximately 70 per cent of the motive power utilized in Canadian industrial plants is supplied by electric motors and almost 100 per cent of the power to run these motors is supplied by water power plants. In ten years, the number of light and power customers of Canadian plants has increased from 900,000 to well over 1,500,000 and the number of kilowatt hours generated has increased from under 6,000,000,000 to about 18,000,000,000. The utilization of electricity in the past ten years has actually grown faster than the supply.

Power Use Grows Faster Than Supply

Taking 1920 as 100, the capacity of power machinery installed in central electric stations, the number of customers of central electric stations and the number of kilowatt hours generated in central electric stations in Canada has grown approximately as follows:

	Installation	Customers	Power generated
1920	100	100	100
1925	200	140	170
1930	275	175	300

The trend is significant. We have been able to utilize new power at a faster rate than we have installed turbines to generate it. Reference is made only to central electric stations generating power for sale and the power plants of the pulp and paper industry have been excluded from the figuring. Part of the increase in output has been due to enlarged exports to the United States but not enough to alter our conclusion that if power surplus looms in Canada it is only as a potential menace to investors in power securities and not as a present source of trouble.

If we assume that the pulp and paper industry will go on using the power it is now using but will not require much more for some years to come (an assumption not thoroughly justified) then the power situation may be boiled down to this. In ten years our central station electric capacity has grown from 1,900,000 h.p. to 5,200,000 or by 175 per cent without difficulty of absorption. The probabilities are that central electric station capacity will grow to about 11,000,000 h.p. in the next ten years, an increase of slightly over 100 per cent. Can we absorb it? Some authoritative viewpoints will be quoted in subsequent articles.

The first two groups of articles in this series on "The Audit of Canada" dealt with agriculture and mining. This group of articles is discussing water power development in Canada. Further groups of articles will deal with other phases of Canadian prosperity.

Torbanite Shareholders to Discuss Sale of Assets

From Our Own Correspondent

MONTREAL.—Shareholders of Torbanite Products Ltd. will meet in Montreal on February 27 to consider a by-law, passed by the board, authorizing the sale of assets and distribution of the proceeds among shareholders. The annual meeting of the company will be held on the same day.

Torbanite Products was formed in 1927 to exploit torbanite deposits adjacent to New Glasgow, N.S., for the extraction of oil and various by-products. Property comprises a mill with a daily crushing capacity of 50 tons and 1,417 acres of shale land.

SAY JONES BROS. YEAR'S PROFIT $1.45

Announcement From Bankers Replaces Company's Annual Statement

According to a statement issued by Gairdner & Co., investment bankers, Jones Bros. of Canada, Ltd., in 1930 earned $1.45 per share on the 28,787 shares of no par common stock. It is intimated that earnings on the preferred were about $19 per share, contrasted with the dividend requirement of $6.50. Bond interest, it is stated, was earned approximately six times before depreciation.

No balance sheet and income account has been made public and it is understood that none will be available for last year.

For the year ended December 20, 1929, the company reported $208,440 as operating profit from which was deducted $20,886 for depreciation, $18,551 for bond interest, etc., and $12,200 for income tax. Bond interest thus was earned 11.24 times before depreciation, and 10.11 times after depreciation. Preferred earnings were 39.40 per share and the common stock earned $4 after deducting a full year's dividend on the preferred. The common dividend is $1.20 per share.

Say Working Capital Higher

Working capital at the end of 1929 was $532,666, and the ratio of current assets to current liabilities was 3.56 to 1. It is stated that the ratio now is 4 to 1. Bonds and preferred have been reduced by $23,000 in the year, compared with $19,300 in the previous year.

Assets are stated to be $996,969, compared with $1,190,014 a year ago. Current assets are said to be $689,914, compared with $741,007 a year ago. Inventories are reported at $244,969, compared with $278,648 a year ago. Current liabilities are given at $170,826, compared with $208,341 a year ago.

CANADA STEAMERS PREPARE FOR SEASON

Passenger Agents Anticipate Good Volume of Business

From Our Own Correspondent

MONTREAL. — Canada Steamship Lines is now laying plans for the forthcoming passenger season. Passenger agents from Montreal, Windsor, Toronto and other points convened in Montreal this week to discuss prospects. It was the opinion of the convention that domestic steamship travel would be larger this season.

Arrangements are now being made for the inauguration of each route next summer. The northern division will be the second to commence operations, the first sailing being scheduled for May 9. That between Toronto, Niagara-on-the-Lake, Queenston and Lewiston will be opened on May 21 this year, as compared with May 17 last year. The route between Montreal and Toronto, via Rochester, Kingston, Clayton, Alexandria Bay, Brockville, Prescott and Cornwall, is to commence operations on May 30, one day sooner than in 1930.

Eastbound from Montreal, the river service to Quebec by night steamer will be the first to begin, the date scheduled being May 3.

B. C. Prepares Way for Compulsory Insurance

Compulsory automobile insurance will be introduced into British Columbia a year hence under plans approved by the provincial government. Legislation compelling all car-owners to insure against damage to the public will be introduced at the provincial legislature's 1932 session, it has been learned.

The government is waiting only to see the outcome of an investigation which Ontario is carrying on regarding existing insurance rates. The British Columbia authorities feel that compulsory insurance should not be introduced until the public is assured of receiving the lowest possible rates.

The Ontario enquiry will estimate whether the existing rates can be reduced or not when the revenue of insurance companies is increased by a universal insurance.

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HEAD OFFICE MONTREAL

That stock you're thinking about

YOU may be one of the many cautious investors interested in accumulating some good stocks at present prices.

You are probably following the stock market news, day by day. How does the news affect the particular stocks you are studying?

Success in investing largely depends on knowing how to interpret such financial news correctly and promptly.

Of course, without the facts about a company — the capital structure, directors, present cash position, previous earnings, products sold, location of plants, prospects for the future, etc. — this is impossible.

The Financial Post SURVEY OF CORPORATE SECURITIES, 1930, in its 368 pages, gives all these facts about 1,300 Canadian corporations. Many thousands of these surveys are in daily use. The Financial Post SURVEY OF CORPORATE SECURITIES is the greatest aid to profitable investing since it enables you to fully understand and profit by financial news when it appears.

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Sherlock Holmes
solves the problem of the
KINGSTON MARKET

The Adventure of the OBVIOUS MEDIUM

Showing that the Kingston Whig Standard is the only medium covering a prosperous and entirely self-contained marketing area midway between Montreal and Toronto.

"Kingston" said Holmes conclusively, pointing to the map, "is the undisputed trading centre of an entirely self-contained marketing area and the Whig-Standard is the OBVIOUS MEDIUM for any advertiser to use who wishes to reach this area."

"But how do you infer the Whig-Standard as the obvious medium for an advertiser to use?" I asked.

"It is the only daily newspaper published in the entire area," he answered.

"And the daily papers from other cities?" I queried.

"All published at too great a distance to be personal to these people. The Whig-Standard is their own."

"Furthermore, my dear Watson, Kingston is surrounded by eight considerable towns — Gananoque, Napanee, Picton, Deseronto, Harrowsmith, Odessa, Verona, Sydenham — and a countryside of rich farm and dairy land . . . a prosperous market with an annual purchasing power of over $15,000,000 which is steadily growing."

"And the whole area looks to Kingston for its news and goods and inspiration?" I queried.

"Precisely, my dear Watson," Holmes replied.

Kingston is Growing

Building Permits (1930)	$1,056,986
Harbor Expenditures (1930)	
Government Work	735,000
New Elevators	1,250,000
Federal Institutions, pay-roll and maintenance (1930)	1,500,000
Provincial Institutions, pay-roll and maintenance (1930)	400,000
Queen's University, annual pay-roll	700,000
Increase in Hydro power users in district in 1930	
New subscribers	550
New miles of line	112
Annual Purchasing Power, over	$15,000,000

The Kingston Whig-Standard
The Only Daily Paper in the Kingston Trading Area

Current Events in the Banking World

BANKERS DENY CREDIT CURTAILED UNDULY IN WEST

Good Business to Loan There if Principal Secure

Dollars and cents are in themselves sufficient of an argument to settle much of the current controversy as to whether or not banks are playing their part in supplying accommodation to western farmers, is the opinion expressed by many leading banking officials to The Financial Post.

"There are only two things we can do to make profitable use of our depositors' money," said one official. "Either we can invest it in bonds and other similar securities which at current levels yield us between 4.50 to 4.70 per cent, or we can loan it to private and commercial borrowers and reap from 6 to 8 per cent. Surely it is obvious which is the most profitable and which we would rather do as long as the money is properly placed in each case."

One trouble, of course, is that as usual that the borrower is proverbially optimistic as to how much he should be able to borrow. The banks (for the most part) are lending not their own money but the funds placed in their trust by depositors, and since they are not in the mortgage business, such funds must be maintained in a state that they can easily be available if depositors should want to withdraw their funds.

Not Bankers Job

Obviously a great many of the demands from the west are demands that should not and cannot be met by the manager of a Canadian chartered bank but by a mortgage or loan company, and the reason that so many demands are coming before bank managers is that the would-be borrowers have already mortgaged their property and equipment and have exhausted all other avenues from which the so-bardly-needed funds for current needs, can be supplied.

Such a situation immediately leads, of course, to a demand among radically-minded individuals, for a revision of our banking system, the argument being that if the purse-strings were not in the hands of a few eastern banking officials, there would be plenty of money available for the western farmers at this time. The fallacy of such an argument is obvious when one compares the present experience of the United States which shows that the mortality of banks and loaning institutions in areas which have not suffered nearly so badly as have many of our western areas, is tremendous, and that in these areas there is not even money available for legitimate banking usage, let alone funds to lend to farmers in distress who have not adequate credit and collateral to offer.

And yet well-informed business men from the West continue to report with considerable vehemence and backed by more or less specific examples, that the word that has gone forward to bank managers from head offices in Montreal and Toronto, is to the effect that money must not be loaned to western farmers no matter what are the circumstances.

One thing is undoubtedly true and that is that bank credit is tighter than two years ago, but this applies not only to banks but to manufacturers, wholesalers and in fact every one who is doing business in the West. It is a natural law of business that credits must be watched more closely in times of business depression because there is a reason for so doing—and a very important reason in the case of banks who are dealing with other people's money. "We are only too glad to lend money if we can see our way clear to getting it back," said one banker, "but experience has taught us that the borrower is proverbially over-optimistic, and we must have something more than optimism as collateral for dollars and cents."

Some Officials Reticent

Some leading bank officials unfortunately refuse to discuss the matter. Others are glad to do what they can to explain the chartered bank position. It is unfortunate that all chief executives of the leading banks and those in close touch with the situation are not more ready to discuss the matter publicly since the case for the bank would seem to be a strong one, albeit a case which perhaps few people—especially borrowers—can readily understand.

As already pointed out it is not the bank's money but the public money entrusted to the banks as trustees of deposits, which is concerned. The returns of chartered banks as at December 31, 1930, show that approximately $300,000,000 or considerable less than 10 per cent the total liability of the banks is a liability to shareholders, the remainder, or approximately $3,200,000,000 being a direct liability to the public and as such only loanable on a basis which would render it readily accessible both to the legitimate demands of business and to the call of depositors, be they demand or notice customers.

As A. E. Phipps, general manager of the Imperial Bank stated recently in reply to the accusations of Hon. Robert Weir, federal minister of agriculture: "Once a farmer loads himself with more debt than he can possibly repay, it is futile for the banks to go on making further advances which simply means giving away other people's money."

"The West," said Mr. Phipps, "Is suffering from an over-indulgence in banking credit rather than a shortage of credit, with the result that many farmers in Saskatchewan already owe their bankers for two or three years advances and some of their debts go back further than that. It is people in this class that are continually clamoring for more assistance from the banks.

Many Good Customers

"This bank has thousands of customers throughout the west who keep their affairs in proper shape and who are always able to obtain the banking credit they require, but once a farmer loads himself with more debt than he can possibly pay, it is futile for the banks to go on making further advances which simply means giving away other people's money.

"I think it is time that somebody spoke out in the interests of the banks who have over a period of years literally put out millions in losses and who have millions in frozen debts negotiating in past and present endeavors to assist the western farmer."

Imperial Bank Planning New Head Office

Yet another bank head office building will grace Toronto's sky line when plans at present under consideration by the board of the Imperial Bank are brought to fruition. While plans have been in contemplation for nine years, early action is being considered in view of unemployment conditions and the low cost of building materials.

The bank owns property at the southeast corner of King and Bay Streets, Toronto, on which it will build. The location is in the heart of Toronto's financial district and within a block of the head offices of the Canadian Bank of Commerce, the Bank of Nova Scotia, Dominion Bank, Bank of Toronto and the Toronto head office of the Royal Bank.

Preliminary sketches have been prepared for various types of buildings but no decision has as yet been made as to what type the new head office building will follow. While a 22-story skyscraper has been rumored, it is quite as likely that the directors will decide for an entirely different type of building.

The building and site, upon which the company will erect its new head office, was purchased in 1928 at a cost of approximately $1,000,000, the building at one time being the head office of the Union Bank of Canada. Since it was purchased by the Imperial, the bank has operated a branch office on the ground floor of the building. In addition to the site upon which this present building stands, the company also owns additional property adjoining, which brings its total holdings at the corner to approximately 100 feet on both King and Bay Streets.

The company's present head office is located on Wellington Street East, Toronto.

FARMERS' COUNCIL PLANS TO REFORM BANKING SYSTEM

Widespread Changes Are Urged By Agriculture Council

Reformation of the Canadian banking system was urged by the Canadian Council of Agriculture at its annual meeting held in Winnipeg recently. This organization represents the United Farmers of Manitoba, Ontario and Alberta.

The two panaceas urged by the council are establishment of a central bank of issue and rediscount, accompanied by suitable modifications in the liability of bank shareholders, and the passage of legislation making possible the development of co-operative credit institutions designed to finance agricultural operations.

A further plank advocated by the council as part of its lengthy manifesto, was the adoption by banks, trust and loan and mortgage companies and other lending institutions of a policy "scaling down the principal amounts so that debts now owing would conform in terms of commodities to the purchasing power actually lent in years past." Such a measure, it is urged, would result also in reducing the burden of interest payments while leaving the lenders just as well off in terms of wealth as before its adoption.

J. J. Morrison of Toronto, secretary of the United Farmers of Ontario was elected president of the council.

Wide Range of Topics

Other resolutions in the manifesto included proposals urging the reduction and cancellation as far as possible of war debts; international action to remove the exsting restrictions upon commerce between all nations; resorting to the income tax in greater degree than at present prevails; and an immediate and appreciable reduction in the costs of transportation of all commodities. These last two proposals in detail are as follows:

"Resorting to the income tax in greater degree than at present prevails. The raising of national revenues by taxation in proportion to ability to pay instead of by means of taxes on consumption and other direct taxes must relieve the burden now falling upon those who can least afford to pay taxes.

"An immediate and appreciable reduction in the costs of transportation of all commodities. It is significant that, while the net income of farmers has shrunk to zero and unemployment is widespread, the dividends of shareholders in the largest Canadian transportation system continue to be paid with regularity and at a rate equivalent to the repayment of the face value of the stock once in every ten years. Reduction of freight rates would increase the returns of agriculture and must ultimately benefit the transporting agencies by aiding productive developments and increasing the consumption of all commodities."

Apple Exports Maintained

Apple shipments for the present season to January 30 amount to 1,005,318 barrels, 27,727 half barrels and 1,240,302 boxes, as compared with 1,071,909 barrels, 15,350 half barrels and 649,123 boxes for the corresponding period of last year.

Weekly Bank Clearings

Eastern Cities

	Feb. 13, 1930	Feb. 12, 1931
Halifax	$ 3,240,471	$ 2,485,118
Saint John	2,156,794	1,842,261
Moncton	785,995	566,832
Sherbrooke	817,503	633,226
Quebec	5,246,007	4,310,528
Montreal	186,329,040	156,166,889
Ottawa	6,634,018	5,309,500
Kingston	603,852	559,088
Peterboro'	776,883	696,945
Toronto	115,232,754	113,347,896
Hamilton	5,266,784	4,403,443
Kitchener	1,101,397	977,613
Brantford	990,714	886,823
London	2,381,428	2,667,746
Chatham	723,808	581,639
Sarnia	660,284	500,355
Sudbury	1,201,710	721,129
Windsor	4,478,424	2,762,102

Western Cities

	Feb. 13, 1930	Feb. 12, 1931
Fort William	$ 665,361	$ 611,561
Winnipeg	33,626,318	33,042,049
Brandon	427,479	323,395
Moose Jaw	884,624	725,398
Saskatoon	1,888,783	1,521,017
Prince Albert	372,806	334,163
Edmonton	6,516,515	4,094,166
Calgary	9,933,275	7,520,946
Medicine Hat	259,724	202,535
Lethbridge	492,386	449,329
Vancouver	18,143,501	14,392,718
Victoria	2,124,163	2,763,891
Regina	4,228,849	3,082,487
New Westminster	689,599	584,652

WILL INCREASE CAPITAL STOCK OF WEYBURN CO.

Shareholders and Directors Identical With Bank

Weyburn Security Co., which will administer assets relinquished and cash paid by the Imperial Bank in the purchase of Weyburn Security Bank, will shortly increase its capital from $100,000 to $300,000, according to H. O. Powell, general manager of the Weyburn Security Bank. Shareholders of the bank and of the security company are identical, with shares of the security company held by trustees for shareholders of the bank. With the purchase of the bank the affairs of the two will be separated.

Weyburn Security Co. is a limited company, with a Saskatchewan charter, originally founded in 1902. As its activities widened, the Weyburn Security Bank was formed to take over and expand the banking business of the parent company. The Weyburn Security Co. has continued its agency, real estate loan and farming business but has been closely linked with the bank through the directorates being identical. At the present time the company has a capital of some $100,000 and a similar surplus.

The purchase of the Weyburn Security Bank, subject to ratification by shareholders, will involve a payment of $100,000 in cash by the Imperial Bank, while shareholders of the Weyburn bank will retain non-liquid assets of approximately $576,727. Since the latter due to their character, cannot be distributed among shareholders of the bank but must be administered over a term of years, the assets of the Weyburn Security Co. will be largely increased upon consummation of the purchase agreement and its shares, which had a value of some $40 at Dec. 31, 1930, will show substantial appreciation.

Shareholders of the bank will therefore benefit from the sale indirectly through growth in the assets of Weyburn Security Co. This company is under the management of B. J. Harrison, with Jos. Mergens as president and N. F. McKinnon as vice-president.

Heresford and Dupont Form Brokerage House

From Our Own Correspondent

MONTREAL. — Announcement is made of the formation of the new Montreal Curb Market brokerage firm of Heresford and Dupont, composed of D. G. Massy-Heresford and Charles T. Dupont.

The former, recently elected a member of the Montreal Curb Market, has been identified with the Montreal Stock Exchange firm of Mathewson, McLennan & Molson since 1927. Mr. Dupont was formerly with the Royal Trust Co.

What Editors Say of Banks

The Case For a Central Bank

Winnipeg Free Press.—The disappearance of the Weyburn Security Bank, the last truly western chartered bank, focusses attention upon the way in which successive Federal Governments are allowing control of credit to slip unchecked into the control of a small handful of men. Nothing to turn the tide is being done, and the anti-social nature of the tendency is too obvious to permit its growth without protest. The "big bank" theory holds the field almost unchallenged, and the arguments in favor of that theory are constantly before the public.

* * *

Whether or not anything can really be done to stop this unfortunate tendency remains to some extent doubtful. But there is one point of attack which has not been taken full advantage of by those who deplore the trend toward credit centralization. This is the problem of re-discounting in Canada. One of the chief benefits conferred by the Federal Reserve banking system of the United States is the extension of the privileges of re-discounting by the Federal Reserve banks. Member institutions can take their paper to their central banks and re-discount it with comparative freedom

This invaluable facility is one which is not developed as it should be in Canada. Re-discounting was instituted in this country under the Finance Act of 1914. It was a rough and ready system devised in a hurry to tide the banks over the financial crisis which accompanied the War. The banks were given the privilege of taking securities and banking paper to the Federal Treasury for re-discounting. Advances on promissory notes, and other commercial paper had to mature in six months. A rate was fixed by the Treasury Board which the banks had to pay for such accommodation, and the scheme worked well enough as an emergency measure. Today, almost 17 years later, it is still in operation on the same lines. It badly needs revision.

* * *

There are two obvious points of criticism. The first that the discount rate charged by the Treasury Board has never borne any relation to current money market rates. All during the growing credit stringency that accompanied the last eighteen months of the speculative boom, the rate stood at five per cent at a time when every other central bank in the world was raising its rates in an attempt to check the excessive use of speculative credit. The second point is the composition of the Treasury Board which is responsible for the advances. It is made up of the Minister of Finance, five members of the Privy Council and the Deputy Minister of Finance, who holds his position ex officio: obviously a board which has few of the qualifications needed to pass wisely upon credits which have risen as high as $123,000,000 in (November, 1920).

Canadians have every reason to be dissatisfied with such a lax state of affairs, and if there is reason to believe that the proper organization of central banking facilities in Canada would do anything to further banking decentralization there is every need of a change. There are grounds for believing that a properly constituted central bank would not only place re-discounting upon a sounder basis in Canada, but would also give an opportunity for the establishment and growth of local or regional banks upon a scale never before possible in the Dominion.

Plan Sweeping Changes In Sask. Insurance Act During Present Session

New Insurance Legislation Will Lead Way to Safety Responsibility Law and Crop Insurance—Hail Legislation Changed

Saskatchewan's insurance act will be subject to drastic amendments during the near future according to plans outlined by Hon. J. F. Bryant before the legislature recently. Proposed changes include more absolute protection for individuals injured in automobile accidents, for upward revision of the amounts which children between one and ten years of age can be insured, the underwriting of crop insurance and the extension of special privileges to hail insurance companies. A person, not the owner of a car will be enabled to take out property damage and third party liability insurance.

Auto Laws Changed

The most far reaching amendments deal with automobile insurance and are made to give absolute protection of the third party in case of accident where the owner or driver of the car carries automobile insurance.

Recent introduction of safety responsibility laws in the province of Manitoba and Ontario has created a situation which requires a change in the Saskatchewan law according to Hon. J. F. Bryant, since this principle is in direct conflict with the existing law in this and other provinces, and it is therefore necessary that a change be made in the insurance laws so that the insurance act might conform with the principles of the safety responsibility laws. Although Saskatchewan has not yet adopted this principle the way is paved by the new legislation now before parliament.

Entered Public Vehicle Act

Under the Public Vehicles Act, and by regulations under that act, operators are compelled to take out safety responsibility, and it is now proposed to amend the law to extend this principle to all motor vehicle contracts.

The present bill provides for automobile insurance covering property damage up to $1,000 and public liability up to $5,000 in case of injury to one person and $10,000 in case of injury to two or more persons being injured in any one accident.

Under the amendments this is made applicable to all motor insurance, and provision is also made for applicants for insurance to carry excess amounts for those who wish to have larger limits. The amendments also provide for public liability and property damage insurance for the operator or driver of a car of which he is not the owner.

The amendments proposed to hail insurance section give the right to companies to accept risks at a reduced rate, a contract in which the insured will bear a portion of the loss himself, the lower rate being his compensation for bearing part of such loss.

The principle underlying this amendment is the same as that granted to automobile insurance companies where the insured takes a policy at greatly reduced rates under which the insured will bear either the first $25 or $50 of collision damages.

The minister of public works pointed out that a 5 per cent hail loss was practically negligible, but where no option to waive claim on small hail damage was provided the premiums must be kept at a level to take care of the risk. The proposed amendment would materially decrease the hail insurance rates to farmers, the minister said.

A further amendment provides that mutual companies may write automobile insurance. This is brought forward to meet the demand from farmers on mutual fire companies to furnish protection for trucks and automobiles which are deemed to be part and parcel of the farm equipment.

The amendment to the act to provide crop insurance has been brought down in response to a widespread desire throughout the province for this class of protection, and also because insurance companies are giving this form of insurance careful consideration. The amendment is brought in to give companies the privilege of underwriting this form of risks if they desire to do so.

The amendment to the life insurance section provides that the amount of insurance that may be paid on the lives of infants of from one year to ten years be increased as experience has shown that the amounts stated in the present act are insufficient because the insurable interest of a parent today in the life of a child is far in excess of the amounts prescribed in the present section.

Bank Chat

The **Canadian Bank of Commerce** announces the following staff changes and appointments:

T. A. PUGSLEY, manager at Jane and Annette Sts., Toronto, has been appointed a special representative attached to head office. W. D. LAWSON, manager at New Toronto, succeeds as manager at Jane and Annette.

H. G. Barnum, has been appointed manager at New Toronto.

N. J. H. Hodgson, assistant agent at New York has been appointed third agent.

E. H. MITCHELL, special representative at head office, has been appointed assistant agent at New York.

F. J. WATT, manager at St. Clair and Yonge, Toronto, has been appointed manager at Bay and Wellington, Toronto.

A. G. WILSON, assistant supervisor of the foreign department at head office has been appointed manager at St. Clair and Yonge, Toronto.

The business of the King and Jordan, Toronto, branch has been merged with that of the Toronto branch.

Elm Creek, Man., sub-agency to Carman, will be open for business on Tuesday and Friday of each week in future instead of on Monday, Wednesday and Friday.

The Imperial Bank announces the following staff changes:

G. S. BALL, formerly manager, Niagara-on-the-Lake, Ont., has been appointed manager, Gore & Queen Streets branch, Sault Ste. Marie, Ont.

A. S. FOOTE, formerly accountant, Welland, Ont., has been appointed manager, Niagara-on-the-Lake, Ont.

A. C. KING, formerly assistant accountant, Welland, has been appointed accountant, Welland.

The Bank of Montreal announces the following staff changes:

T. E. MERRETT, manager, St. Peter & St. James Sts., Montreal, to Montreal branch as manager.

H. W. NESBITT, assistant manager, St. Peter & St. James Sts., Montreal, to be manager.

H. BROOKS, assistant manager, King & Yonge Sts., Toronto, to St. Peter & St. James Sts., Montreal, as assistant manager.

F. G. WOODS, manager, Montreal, to San Francisco as agent.

P. C. HARRISON, agent, San Francisco, to New York as second agent.

J. E. LAVOIE, manager, Ville St. Pierre, to Verdun as manager.

F. PAQUETTE, accountant, Lachine, to Ville St. Pierre as acting manager.

G. W. BIRMINGHAM, accountant, Hartland, N.B., to Douglas, Ont., as acting manager.

H. MASTERS, stock department at Montreal to be registrar of stock department at Montreal.

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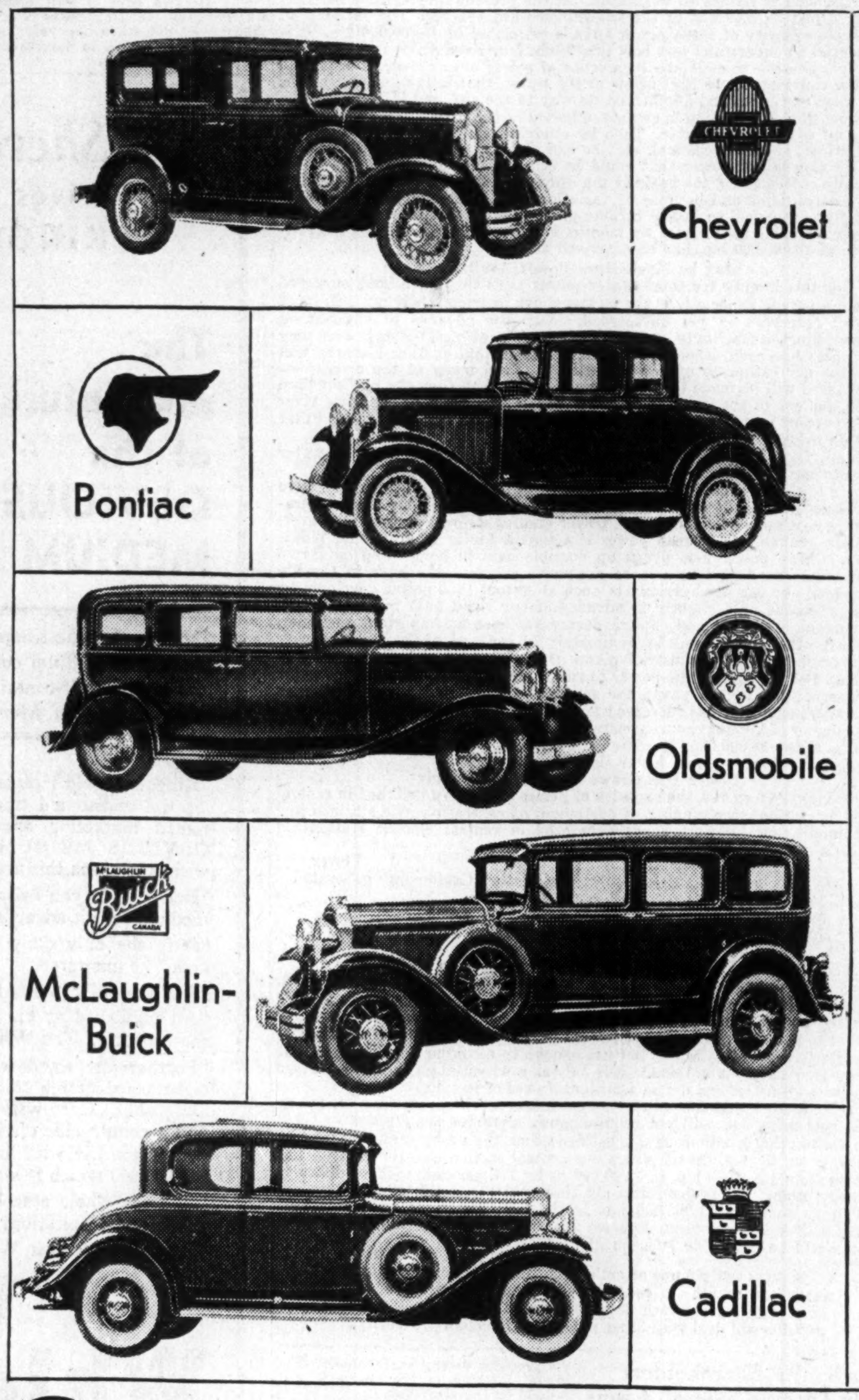

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Chevrolet Super Sport Roadster	760
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Pontiac Coupe	875
Pontiac Sedan (2-door)	875
Pontiac Sport Coupe	925
Pontiac Sedan (4-door)	970
Pontiac Convertible Cabriolet	970
Pontiac Sport Sedan	1,015
Oldsmobile Sedan (2-door)	1,085
Oldsmobile Coupe	1,085
Oldsmobile Sport Coupe	1,145
Oldsmobile Sedan (4-door)	1,180
Oldsmobile Convertible Roadster	1,200
Oldsmobile Patrician Sedan	1,230
McLaughlin-Buick Business Coupe "56"	1,290
McLaughlin-Buick Phaeton "55"	1,290
McLaughlin-Buick Sedan "50"	1,315
McLaughlin-Buick Sport Coupe "56-S"	1,330
McLaughlin-Buick Sport Roadster "54"	1,340
McLaughlin-Buick Sedan "57"	1,380
McLaughlin-Buick Business Coupe "66"	1,685
McLaughlin-Buick Sport Coupe "66-S"	1,740
McLaughlin-Buick Sport Roadster "64"	1,750
McLaughlin-Buick Phaeton "65"	1,750
McLaughlin-Buick Sedan "67"	1,775
McLaughlin-Buick "86"	2,000
McLaughlin-Buick Sedan "87"	2,045
McLaughlin-Buick Sport Roadster "94"	2,100
McLaughlin-Buick Phaeton "95"	2,110
McLaughlin-Buick Sport Coupe "96-S"	2,245
McLaughlin-Buick Coupe "96"	2,305
McLaughlin-Buick Sedan "91"	2,330
McLaughlin-Buick Sedan "90"	2,520
McLaughlin-Buick Limousine "90-L"	2,660
Cadillac 8, Coupe (2-Pass.)	3,520
Cadillac 8, Coupe (5-Pass.)	3,650
Cadillac 8, Sedan (5-Pass.)	3,650
Cadillac 8, Roadster (2-Pass.)	3,715
Cadillac 8, Town Sedan	3,715
Cadillac 8, Phaeton	3,850
Cadillac 8, Convertible Coupe	3,850
Cadillac 8, Sedan (7-Pass.)	3,850
Cadillac 8, Imperial Sedan	4,045
Cadillac 8, All-Weather Phaeton	4,960
Cadillac 12, Coupe (2-Pass.)	5,130
Cadillac 12, Coupe (5-Pass.)	5,265
Cadillac 12, Sedan (5-Pass.)	5,265
Cadillac 12, Roadster	5,330
Cadillac 12, Town Sedan	5,330
Cadillac 12, Phaeton	5,460
Cadillac 12, Convertible Coupe	5,460
Cadillac 12, Sedan (7-Pass.)	5,660
Cadillac 12, Imperial	5,860
Cadillac 12, All-Weather Phaeton	6,395
Cadillac V-16, 31 Fleetwood Custom Models	7,010 to 12,705
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SUB-TROPIC PREM. RATES CUT LOWER

Two Canadian Companies Offer Low-Cost Policy to Cuba

IS CANADIAN PLAN

Success of Low Premium Business Here, Leads to Reduction in Foreign Rates

Extension of low-initial-cost life insurance premiums to countries outside Canada and the United States is announced this week by two leading Canadian companies.

The Manufacturers Life and the Confederation Life have simultaneously announced an entirely new set of rates on participating business in Cuban territory. The Manufacturers have already put the new rate into effect in Cuba and the West Indies and by March 1 will extend them to its entire western foreign field which includes Colombia and Central America. The Confederation plans to put the new rates into effect in Cuba only, for the present.

The new rates cut from $4 to $5 per $1,000 from the price of an ordinary participating life insurance premium and are in line with the policy adopted some time ago by these two companies in regard to their Canadian business.

Four Canadian Companies

The plan was mooted last fall but was shelved until this year. In all there are some five important companies writing in Cuba, four of which are Canadian. The fifth is the Pan-American Life Insurance Co. writing only non-participating business at a fairly high premium. It is understood that the Pan-American reduced its rates a short time ago which led the Canadian companies to take rapid action in respect of non-participating business. The other Canadian companies are the Sun and the Imperial.

Some idea of the new rate schedules which are now in force on the part of the Confederation and the Manufacturers, may be gained by the following typical examples showing premiums at age 20 and age 40. The Confederation Life rate for Cuba at age 20 was formerly $23.60 for each $1,000 of participating ordinary insurance. The new rate is $18.97. At age 40, the old rate was $33.85 while the new rate is $33.05 per $1,000. The new rates announced by the Manufacturers show $19.60 at age 20.

The Imperial Life will not change its rates it is learned, and in view of the Sun Life Assurance Company's well-known policy of charging a high initial premium and returning a high rate of dividend, it is thought that there is little likelihood of that company altering its rates to meet the new competition of the two Canadian companies.

Saskatchewan Revises Succession Duty Act

According to a recent issue of the Saskatchewan Gazette it is announced that the Succession Duty Act, 1930, is to be extended to Great Britain and Northern Ireland in order that the reciprocal provisions in section 20 of the English Finance Act, 1894 may be extended to this province.

This means that Great Britain and Northern Ireland have been added to the countries and provinces with which Saskatchewan has reciprocal legislation in order to avoid double succession duty.

Wide Discrepancies Seen Between Old and New Annuity Rate Schedules

By Using Obsolete Mortality Table Government Rates in Some Cases Are $80 Too Low for $1,000 Annuity.

Out-of-pocket losses ranging as high as $80 per $1,000 are accruing to the debit of the people of Canada, on account of the Canadian Annuities branch, according to figures prepared for The Financial Post. These losses are exclusive of the expenses of writing this business and are due to the fact that the government is still using an antiquated actuarial table upon which to base its rates. The importance of such a rate inadequacy may be appreciated by the fact that in the last two years, $8,000,000 of annuities have been sold by this government department.

In order to ascertain just how the rates used by the Department of Labor compare with those used by Canadian insurance companies, actuaries of one of the leading Canadian insurance companies were asked to prepare comparative rates which would be charged an applicant for an immediate annuity if he were to apply to the government at the present time or if he were to apply to a Canadian insurance company. It was expected of course that the Canadian company rates would be higher due to the fact that such rates must be loaded for expenses, whereas the government rates have no expense loading, the entire expense being charged to the Consolidated Revenue Account of the Dominion.

There is also another important reason why Canadian company rates are higher, namely that since 1925, most Canadian companies have been using a new set of mortality tables which came out at that time and which indicated that the old tables (still being used by the government annuity branch) were entirely inadequate in many respects and if still used, would sooner or later lead the companies into bankruptcy. The old tables are based on mortality experience of nearly 40 years ago.

Accordingly in addition to typical rates showing the premiums charged by the government and the insurance companies, a third set of rates has been worked out showing approximately what the government should be charging if it were to change to the new rate basis, and if it were to still continue to charge all expenses of operating the department to public account. The comparative tables are as follows:

COMPARATIVE COST OF IMMEDIATE ANNUITY OF $100 PAYABLE ANNUALLY FOR LIFE

	Male Lives			Female Lives		
Age Last Birthday	Gov't Rates* 4% Basis	New Table Rates* (4½% Basis)	Canadian Company Rates†	Gov't Rates* 4% Basis	New Table Rates* (4½% Basis)	Canadian Company Rates
40	$1,548	$1,546	$1,567	$1,595	$1,631	$1,652
45	1,429	1,450	1,455	1,495	1,551	1,559
50	1,296	1,330	1,331	1,386	1,453	1,456
55	1,153	1,193	1,194	1,262	1,337	1,336
60	1,003	1,048	1,050	1,119	1,199	1,199
65	850	898	903	957	1,043	1,046
70	701	745	752	788	874	879
75	561	592	601	627	700	708
80	436	461	469	484	533	542
85	328	352	413	...	...	...

*No expense loading included.
†As charged by the Canada Life; The Confederation Life; the Sun Life and The Manufacturers Life.

In the above table the government rates are those as shown in the annuity department manual, except that in each case $38 has been subtracted, because government annuities are payable quarterly and line company annuities are payable annually. By subtracting $38 from each figure quoted in the government manual, a rate which can be compared with the company rate is arrived at.

It will be noticed that the rates in the first column in each group are on a 4 per cent basis. This is the basis used by the government, but as government funds can currently be invested at 4½ per cent, the new rates as shown in the second column in each group are calculated on this basis. As explained in the footnote, the present rates charged by the government carry no loading for expenses, nor do the rates as computed on the new basis. The final column in each group, however, namely the rates as charged by the companies, contains a loading for expenses and shows the minimum charge that could be made by the government if the entire cost of selling annuities were to be charged to those who purchase them. Actually the rate would in all probability be substantially higher even than this, since insurance companies on the whole can invest their funds at a much higher rate than the government.

NOTE.—This is the fourth of a series of articles which are an attempt to place before the public and responsible officials of the Dominion government the true situation with regard to the Canadian Annuities Branch, of the Department of Labor at Ottawa, against which many serious charges of unsound practice and methods were laid by a Canadian actuary in The Financial Post on January 8, last.

MORE BUSINESS WRITTEN IN 1930 BY COMMERCIAL

Company Improves Position Despite Difficult Year

New business written of $2,0558,158 as against $1,994,594 written in 1929 is reported by the Commercial Life Assurance Co. at its annual meeting held in Edmonton. The company showed business in force at the end of 1930 of $10,821,019 as against $10,360,541 at the end of 1929, an increase of $461,000. This does not include double indemnity accident benefit of $875,804 of monthly income disability benefit of $2,543,697.

The company increased its assets by $249,400 to $1,524,305. Premium income increased slightly from $331,703 a year ago to $338,195. Total income amounted to $465,112, an increase of $9,452, of which $23,638 was received for premiums on capital stock and $25,660 for capital stock itself. Last year $30,306 was received as premium on capital stock and $7,203 taken in for capital stock account.

Surplus is Higher

In spite of an admittedly difficult year for life insurance companies, surplus to policyholders (before paid-up capital) increased to $164,320 which is higher by $54,614 than a year ago, and now shows an actual surplus after deducting paid-up capital, of $144,794. A year ago surplus (before deductnig paid-up capital) was $109,706, or approximately $9,500 less than paid-up capital of $119,320. It must be noted that the major portion of the increase in surplus can be attributed to income from capital stock and premium on capital stock.

The average rate of interest earned for 1930 was [illegible].32 per cent, a substantial increase over the previous year.

In common with all life insurance companies, there is a considerable increase in loans to policyholders, the 1930 figure standing at $208,095 or $71.273 above the 1929 items. Other important changes in the company's assets are as follows:

	1930 $	1929 $
Dominion bonds	10,000	21,673
City debentures	70,875	71,836
School dist. deb.	190,562	163,526
Town, vill. & hosp. debs.	33,279	41,186
Industrial deb.	24,842	42,333
Loan co. deb.	3,000	......
Stocks	205,542*	121,689
1st mtges. sec. by real est.	687,055	553,434

*At cost.

The company reports that it is extending its sphere of operations to southern British Columbia with headquarters in Nelson under the management of H. D. Paterson, who has been for many years a resident of that city.

Good Results Obtained

Field representatives of the Manufacturers Life Insurance Co. secured 488 applications for a volume of business of $1,027,724 on life insurance day, held January 21 in Canada and the United States. Quebec City branch, under A. Prevost, led the company's organization in both Canada and the United States. Montreal South branch under G. H. Boright also achieved outstanding results.

CONFEDERATION LIFE FINDS LAPSES HEAVY

January Returns Show Business Written of $4,248,038

New ordinary insurance written in January by the Confederation Life association was $4,248,038 and new group business written was $169,281. Insurance in force, however, increased only $370,000 from the total shown by the company in its annual report as at December 31. As at January 31, figures show $352,489,000 of ordinary business in force, and $16,907,989 of group insurance and making a grand total as at the end of the month of $369,396,965.

In commenting on the month's results, C. S. MacDonald, president and general manager, says:

"In view of the conditions existing at the present time, the amount of new insurance written during the month of January was encouraging. The gain in insurance in force was, we must admit, not satisfactory. The large amount of insurance that is going off, from month to month, is excessive, and we must all do our utmost to keep the write-offs as low as possible. It is not an easy task, and we must make every effort to accomplish this end.

"I feel sure we can improve this situation, which is not peculiar to our Association, but seems to be general with all the life companies."

Confederation Officials on Tour

V. R. Smith, assistant general manager and actuary of the Confederation Life Association, C. D. Devlin, general superintendent of agencies and A. E. Lawson, superintendent of agencies, southern division, are on an extended visit to the company's agencies in Central America and Mexico.

DOMINION LIFE WROTE $27,292,417 BUSINESS IN 1930

Bond Holdings Decrease Further in Relation to Total Invested

Business issued by the Dominion Life Assurance Co. dropped to $27,292,417 in the fiscal year ended Dec. 31, 1930, as compared with $28,495,861 in 1929 and $28,914,797 in 1928, while the total insurance in force was increased to $146,538,137 as against the previous record of $137,474,551 in 1929. Assets total $25,237,678 in comparison with $23,825,358 shown in 1929.

Cash income from premiums was $4,603,677, or $249,684 in excess of the 1929 premium income.

Income from interest on investments, rents and other sources showed an increase of $223,164 to $1,965,085. A substantial increase was shown in profit on sale of real estate and securities from $35,685 in 1929 to $126,585 in 1930. The total income of the company in 1930 was $6,568,765 as compared with $6,095,916 in 1929.

The total of assets increased by $1,412,319 during 1930. Cash and investments total $23,912,235, while a further $550,399 of interest on investments is due or accrued. In 1929 investments totalled $22,730,854. The average rate of interest earned on net investable assets in 1930 was 6.66 per cent and in 1929 6.91 per cent.

Bond Ratio Lower

While the company's investments have increased some 5.2 per cent during 1930, there have been some changes in the respective investments in relation to the total.

Bonds represent 29.3 per cent of the total as compared with 35.5 per cent in 1929, 36.8 per cent in 1928, 40.8 per cent in 1927 and 42.5 per cent in 1926. Policy loans are up to 13.7 per cent from 11 per cent the previous year; stocks, at market value, are up from 2 per cent in 1929 to 3.74 per cent of the total and mortgages and sale agreements represent 50.3 per cent as compared with 49 per cent in 1929. The distribution of investments is as follows:

	1930 $	1929 $
*Mortgages	12,032,948	11,207,446
Bonds	7,002,301	8,007,406
Stocks	893,811	416,030
Real estate	578,359	507,623
Policy loans	3,274,878	2,526,885
Cash	129,937	65,464
	23,912,234	22,730,854

Assurance and annuity reserves at $18,983,312, reserve of $25,000 for unreported death and disability claims and $100,000 for investment bring the total of reserves to $19,108,312—$1,336,242 in excess of the 1929 total. Outside of reserves and surplus, the only large liabilities are $1,350,000 due on account of investments and $1,665,243 proceeds of matured policies and other funds left with the company.

Policy Profits Up

After provision for all liabilities the total of surplus funds amounts to $2,410,298 against the $2,433,444 shown in 1929. Capital paid up remains at $200,000 and the shareholders' fund has increased from $186,933 to $235,870. Profits allotted to policyholders are shown at $1,308,449 against $1,297,196 in 1929 and profits unallotted amount to $665,979 compared with the 1929 figure of $749,315.

During 1930, the company paid out $2,472,252 on claims, $204,869 more than in 1929. There was some increase in various expenditures and dividends were maintained at the rate of 16 per cent. Total of disbursements in 1930 was $4,075,004 as against $3,781,420 in 1929.

Comparative figures for 1930 and 1929 showing the company's position are as follows:

	1930 $	1929 $
Business		
New ins. issued	27,292,417	28,495,861
Ins. in force	146,538,137	137,474,551
Total reserves	19,108,312	17,772,070
Income		
Net prem. income	4,603,680	4,353,995
Int., rents, profit on invest. & other inc.	1,965,085	1,741,921
	6,568,765	6,095,916
Assets		
Total assets	25,237,678	23,825,358
Profits to p'holders	1,308,449	1,297,196
Profits unallotted	665,979	749,315

New President of Peel Mutual

J. H. Rutherford, was appointed president of the Peel Farmers' Mutual Fire Insurance Co. at its fifty-fourth annual meeting last week. Insurance on the company's books increased $1,771,211 to $26,098,000. The company reports 7,214 policies in force, of which 2,855 were assumed during 1930 amounting to $10,001,725.

J. B. LAIDLAW RETIRES AS GEN. MANAGER

Becomes Director of Norwich Union; Succeeded By W. A. Thomson

Retirement of John B. Laidlaw as general manager of the Norwich Union Fire Insurance Society and president and general manager of the Canada Security Assurance Co., has been announced together with his appointment as Canadian director of the Norwich Union. Mr. Laidlaw will continue as chief agent for Canada of the latter company and as a director of the Canada Security Assurance Co. W. A. Thomson, associated with Mr. Laidlaw for the past four years succeeds him as general manager.

He has been connected with the insurance business since 1882 when he entered the office of the City of London Fire Insurance Co., later becoming chief clerk. In 1893, he became inspector for the Lancashire Insurance Co. and traveled Ontario, Quebec and the Northwest for two years. On January 1, 1895, he returned to the Norwich Union as manager for Canada. The title of general manager for Canada was given him in 1927.

Mr. Laidlaw has been one of the foremost insurance men of the Dominion. He is a member of the National Fire Protection Association, the Dominion Fire Prevention Association and the Ontario Fire Prevention League. He has served as an officer and as chairman of various committees of the Canadian Fire Underwriters' Association, the Canadian Casualty Underwriters' Association and the Canadian Automobile and Canadian Boiler and Machinery Underwriters' Associations.

Insurance Inklings

CECIL H. FALLOON, general manager of the Atlas Assurance Co. has been elected a director of the Montreal Life Insurance Co.

J. S. P. ARMSTRONG has been appointed Toronto agency manager for the Dominion of Canada General Insurance Co.

The position of agency manager has been created with a view to extending the assistance given to agents in the field and to afford them a closer contact with the company in its writing of multiple lines—auto, fire, life and different forms of casualty insurance.

JOHN B. LAIDLAW, who is retiring as general manager for Canada of the Norwich Union Fire Insurance Society and as president and general manager of the Canada Security Assurance Co. will leave shortly for Buenos Aires as one of the Canadian trade envoys to the Argentine exhibition.

Licenses Issued

DOMINION

The following companies have been licensed to transact the following classes of insurance in addition to those for which they were already licensed:

Law Union & Rock Insurance Co.—insurance against loss of, or damage to property other than growing crops by hail.

British Oak Insurance — Insurance against loss of, or damage to, personal property.

Cornhill Insurance — Insurance against loss of, or damage to, property other than growing crops, by hail.

Provincial Insurance Co.—Insurance against loss of, or damage to, property other than growing crops, by hail.

Halifax Fire Insurance Co. — Insurance against loss of, or damage to, property other than growing crops, by hail.

Union Marine Insurance—Accident, automobile, burglary, plate glass and sickness insurance.

A newly organized and responsible firm recently organized in Winnipeg for the purpose of entering the general agency and insurance field in Winnipeg and the West, desires to get in touch with large and reputable insurance company issuing all forms general insurance—object—general agency Western Canada. Box 258, The Financial Post, Toronto.

TWO EXCEPTIONALLY ATTRACTIVE SUITES AVAILABLE NOW IN THE INSURANCE EXCHANGE BUILDING
A NICE corner office on the ninth floor; 1,400 sq. ft., containing two sound-proof private offices, a large outer office, private stationery and cloak room. An exceptionally desirable office, having maximum daylight.
A very fine suite on the seventh, with three private offices and general office. Well lit and airy, with a southern exposure. Floor is covered with Battleship linoleum. Will be decorated to suit new tenant. Both these offices can be inspected any time.
INSURANCE EXCHANGE CORPORATION
Room 228, Insurance Exchange Building
276 St. James Street, Montreal
HArbour 7858

Operating in Ontario, Manitoba, Saskatchewan, Alberta and British Columbia.
FIRE AUTOMOBILE WINDSTORM
Insurance in force $180,000,000.00
Assets over 2,700,000.00
Agents required in Ontario.
Write 410 Manning Chambers, Toronto.
THE WAWANESA MUTUAL INSURANCE CO.
Head Office—Wawanesa, Man.

THE CANADA NATIONAL FIRE INSURANCE COMPANY
Head Office: WINNIPEG
Toronto Office: 205 Brock Building
Walter J. Steer, Branch Manager
President, J. B. Coyne, K.C., Winnipeg, Man.
1st Vice-President, T. S. McPherson, Victoria, B.C.
2nd Vice-President, Allan S. Bond, Winnipeg, Man.
Applications for Agencies Invited

NORTHWESTERN MUTUAL FIRE ASSOCIATION
SEATTLE, WASHINGTON
HEAD OFFICE FOR CANADA: HAMILTON, ONTARIO
Writing Fire and Automobile Insurance at Cost
Assets $4,784,342.81
ALL POLICIES NON-ASSESSABLE
Paying Dividends ranging from 25% to 40%
BRANCH OFFICES:
Toronto, Ottawa, Vancouver, Victoria, Edmonton, Calgary, Saskatoon, Winnipeg, Montreal, Quebec City, Saint John, Halifax and Charlottetown

To Accumulate $10,000
Through Savings Invested at 5% Compound Interest would require an annual saving of $100.00 for over 35 years.
You Can Create an Immediate Estate of $10,000
Under our Guaranteed Maximum Protection Policy for an annual premium deposit of $158.50.
(Based on Age 30)
THE MANUFACTURERS LIFE INSURANCE COMPANY
HEAD OFFICE - TORONTO, CANADA

THE FORTY-SECOND ANNUAL STATEMENT *of The*
DOMINION LIFE ASSURANCE COMPANY
WATERLOO, ONTARIO
shows
Progress in all departments

POLICIES ISSUED AND REVIVED
1920—$16,734,968 *1925*—$17,874,727 *1930*—$27,292,417

INSURANCE IN FORCE AS AT DECEMBER 31st
1920—$45,348,869 *1925*—$81,677,030 *1930*—$146,538,137

PREMIUM INCOME
1920—$1,480,411 *1925*—$2,708,579 *1930*—$4,603,680

TOTAL INCOME
1920—$1,879,881 *1925*—$3,462,838 *1930*—$6,568,765

PAYMENTS TO POLICYHOLDERS
1920—$529,198 *1925*—$1,043,950 *1930*—$2,472,252

EXCESS INCOME OVER DISBURSEMENTS
1920—$691,261 *1925*—$1,490,967 *1930*—$2,493,760

ASSETS AS AT DECEMBER 31st
1920—$6,167,936 *1925*—$12,375,516 *1930*—$25,237,678

POLICY AND ANNUITY RESERVES (AS AT DECEMBER 31st)
1920—$5,240,657 *1925*—$10,228,212 *1930*—$18,983,312

RATE OF INTEREST EARNED ON INVESTED ASSETS
6.66%

Dominion Life policyholders will find ample grounds for satisfaction in the figures set forth above. Head Office or any Branch Office will pay prompt attention to inquiries from those interested in further Life Assurance.

The DOMINION LIFE ASSURANCE COMPANY
HEAD OFFICE: WATERLOO, ONTARIO

ORGANIZED IN 1884
The Portage La Prairie Mutual Insurance Company
Head Office, Portage La Prairie, Man. Stratton Whitaker, Manager.
FIRE AUTOMOBILE PLATE GLASS BURGLARY
Assets exceed $1,500,000.00
Western Canada's Oldest Mutual Fire Insurance Company now extends the benefits of its lower rates to Ontario—We invite your application for the Agency in your district.
Ontario Branch Office—216 Dominion Bank Bldg., Yonge & King, Toronto

ESTABLISHED 1872
SENECA JONES & SON
HOME OFFICE: HAMILTON, ONTARIO
CANADIAN GENERAL AGENTS FOR
Fidelity American Insurance Company
Mill Owners Mutual Fire Insurance Company
INQUIRIES FROM WELL-ESTABLISHED AGENCIES INVITED
COAST TO COAST SERVICE

Strength-Stability-Service
Assurances In Force (Dec. 31, 1930)..$492,833,318
Assets $116,662,059
Surplus Funds and Contingency Reserves $12,468,009
A Purely Mutual Company
Every dollar of surplus earnings belongs to policyholders and is either actually paid or allotted as cash dividends or for future distribution.
The Mutual Life of Canada
Established 1869
THE MUTUAL LIFE ASSURANCE COMPANY OF CANADA
Head Office: WATERLOO, ONT.
F1

The Substantial Progress of
THE COMMERCIAL LIFE
Average Rate of Interest Earned, 7.32%
Paid to Policyholders, $97,702
All claims paid within 24 hours of receipt of proof

Year	Assets	Policy Reserves	Premium Income	Total Income	Interest Income	Business in Force
1918	$ 71,905	$ 11,825	$ 5,578	$ 11,278	$ 2,873	$ 184,000
1921	179,092	66,294	57,260	130,152	7,208	2,648,785
1924	400,866	312,463	156,998	195,791	15,181	5,754,629
1927	806,490	672,091	279,055	328,635	40,102	9,044,361
1930	1,524,305	1,202,973	338,195	465,112	69,600	10,821,019

Board of Directors
R. H. CAUTLEY, Esq. (President), Edmonton.
DR. E. W. ALLIN (Vice-President), Edmonton; L. G. CALDER, Esq.; (Vice-President), Montreal; W. T. HENRY, Esq.; W. W. PREVEY, Esq.; H. W. B. DOUGLAS, Esq.; J. W. GLENWRIGHT, Esq; JOHN GILLESPIE, Esq., Edmonton; W. FLETCHER BREDIN, Esq., Grande Prairie; F. O. HODGSON, Esq., Vancouver; JOHN A. EAST, Esq., Saskatoon.

Managing Director: J. W. Glenwright, Esq. Secretary: E. B. H. Shaver, Esq.
Medical Referee: E. W. Allin, Esq., M.D., C.M. Statistician: D. M. Robertson, Esq.
Consulting Actuary: C. C. Sinclair, Esq., F.A.S., Winnipeg
Chief Accountant: H. E. Chillman, Esq. Mortgage Dept.: E. W. Grais, Esq.

The Reason for the Splendid Progress of The Commercial Life
The Commercial Life has a well established reputation for the prompt payment of claims—all claims being paid within twenty-four hours of receipt of proof; for the kindly treatment of beneficiaries of policies that have become claims; for helpful and courteous treatment of policyholders; for satisfactory rates, and for liberal and easily understood policy contracts.

THE COMMERCIAL LIFE Assurance Company of Canada
Sound as the Dominion
HEAD OFFICE—EDMONTON, CANADA

Canadian Mining News

CONIAURUM MINES GOLD PRODUCTION $736,727 IN YEAR

Production Meets All Development and Operating Costs Except Write-offs

RECOVERY IS $5.99

Exploration Now Being Carried Out at Depth By Winze From 2,000 Ft. Level

Earnings by Coniaurum Mines for the year ended Dec. 31, 1930, totalled $67,862 before providing for write-offs. After write-offs of $122,972, equivalent to $1 per ton of ore treated, there was a deficit of $55,110.

Recovery for the year amounted to $736,727 from 122,972 tons of ore treated or an average recovery of $5.99 per ton as compared with a recovery of $666,549 from 103,293 tons in 1929, or an average of $6.45 per ton.

Production Grows

The following is a comparison of production since commencement of operations in the spring of 1928:

SUMMARY OF OPERATIONS
Years Ended Dec. 31

	1930	1929	1928
Ore milled, tons..	122,972	103,293	52,005
Daily aver., tons	341	295	283
Bullion produced.	$736,727	$666,549	$249,890
Recov. per ton ..	$5.99	$6.45	$5.06
Per cent recovery	96.35	96.6	95.0

In commenting on the year's operations, Thayer Lindsley, president, said the mine had shown sufficient operating profit in 1930 to permit a considerable amount of development at depth, without in any way impairing the liquid position of the company. This development at depth consisted of the equipment and sinking of a winze from the former bottom level at 2,000 ft. for a further depth of 500 ft., with the opening up of two new levels at the 2,250 ft. and 2,500 ft. horizons respectively. Development work at these two horizons is proceeding, but it is too early to record results.

John Reddington, mine manager, in his report to the directors said cross-cutting on the new levels is being pushed with all possible speed, both north and south. In the south cross-cuts on the 2,250 and 2,500 ft. levels, No. 12 vein has been encountered and is driven on both east and west on the 2,250 ft. level. The vein at this point is quite well defined, but the values are low. Just above this on the 2,000 ft. level this vein did not show high values.

Income Account Published

An income account was published for the first time in the 1930 report, which shows operating costs as follows:

Prodrction Costs Per Ton of Ore
Year Ended December 31

	1930
Development and exploration	$0.70
Mining	3.40
Milling	.94
Taxes and marketing	.03
General expense	.43
Total operating costs	$5.50
Deprec. and write-offs	1.00
Total costs per ton	6.50
Recovery per ton	5.99
Loss per ton	.51

Stoping operations during the year added 135,387 tons of broken ore, and development yielded a further 7,783 tons, this with the 70,412 tons of broken ore shown at the end of 1929 gave a total of 213,582 tons of ore available. Milling operations during the year drew 122,972 tons leaving 90,610 tons of broken ore in the stopes or 20,198 tons in excess of the previous year. The grade of broken ore is approximately that of average treated during the year.

Mr. Reddington said it had been his experience that it is unwise to estimate the unbroken ore owing to the erratic distribution of values so far found in the veins. The fact that the company is still operating on a hand-to-mouth policy of ore production precludes the regular blocking out of ore reserves. Mr. Reddington believes there is greater reason for optimism now than at any previous time in the history of the mine.

Cash Position Ample

The balance sheet shows current assets of $287,880, made up of $98,013 in cash, $58,974 in bullion settlements outstanding, $95,867 in Gatineau Power bonds, $633 in accounts and interest receivable, $5,166 on deposit in excess of bonds and interest outstanding and $30,127 in supplies. Current liabilities total $32,468.

The following is a statement of working capital for the past two years:

Working Capital
As at Dec. 31

	1930	1929
Current assets	$287,880	$289,978
Current liabilities	32,468	43,702
Working capital	$255,412	$246,276

Since the re-organization of the company on July 4, 1929, with authorized capitalization of 6,000,000 no par value shares, there has been no outstanding funded indebtedness. As at December 31, 2,512,447 shares had been issued. Of the remainder 125,000 are to be taken up by Ventures Ltd. on or before July 4, 1931, and 3,200,000 shares are under option at an advancing scale of prices.

The annual meeting of shareholders is called for March 2, in Toronto.

Income and Surplus Account
Years Ended Dec. 31

	1930 $
Bullion produced	736,727
Less oper. expense:	
Mine development	78,188
Diamond drilling	8,484
Mining	417,600
Milling	115,545
Mint charges	1,904
Transportation	2,350
Gen. mine expense	13,382
Mine office and super.	23,159
Adminis. and gen. expense	16,088
Operating earnings	60,029
Add non-oper. income:	
Int. dis. and exchange	7,147
Rentals	686
Total net earnings	67,862
Less: Prior & deep devel. w/o $1 per ton	122,972
Deficit for year	55,110

INDUSTRIAL RESEARCH

IS CONCERNED WITH THE PRODUCTION OF SOMETHING WHICH WILL BE OF DIRECT VALUE AND FROM WHICH A PECUNIARY PROFIT MAY BE SECURED.

MILTON HERSEY
COMPANY, LIMITED
INDUSTRIAL CHEMISTS AND ENGINEERS
MONTREAL, WINNIPEG

Standard Stock Exchange Still Most Active Market for Principal Mine Shares

Facilities For Trading Have Helped Make Canada Known For Its Mineral Wealth

A NEW YORK investment service recommends as a speculative venture the purchase of five gold-mining stocks. Four of these are McIntyre, Teck-Hughes, Lake Shore and Hollinger. The principal market for these gold stocks, selected from all those available on this continent, as well as the principal market for most Canadian mining stocks, is the Standard Stock & Mining Exchange, Toronto.

For more than 20 years the Standard Stock & Mining Exchange has been a factor in the development of Canadian mining. The great mines which are directing attention of the world to the mineral resources of this country might have been developed purely with private capital. But the financing has been less difficult because of the existence of an exchange in Canada which specialized in mining securities, which provided a market where the investor and speculator could buy and sell.

* * *

IN THE last year, the Standard Stock & Mining Exchange has been re-organized along lines which seemingly are much sounder than the organization immediately prior to 1930. The Financial Post believes that the mining public now may have a greater degree of confidence in the exchange and its members than ever before in its history. The members and committee appear eager to correct any condition as soon as the need for correction appears. The former element on the exchange which prevented its being operated properly has been eradicated.

* * *

PARTLY because the public has not now either the money or the inclination to speculate on as broad a scale as prevailed until late in 1929, the Standard Stock & Mining Exchange will not soon again see 3,000,000 and 4,000,000-share days. A more potent reason for moderate activity, at least in the near future, is that transactions now must be financed by brokers; the client, the broker or the banking institutions must put up cash representing the full market value of the stock. The client will wish to trade on margin. The broker's funds are not limitless. The banks will loan only within reason. So, in the future, trading will be within the limits of legitimate credit facilities. This will be good for the mining industry.

One may reasonably expect to see trading in mining shares gradually grow, especially if, as can be hoped, new mines are developed as important as the principal existing mines, and the existing mines continue to extract wealth from the ground at increasing rates. The growth of the exchange and the development of the mining industry will proceed together and the benefit will be mutual as well as in the interest of the country and the public.

GRANDVIEW MINE HAS $29,438 LEFT FOR DEVELOPMENT

Mining Suspended But Work Continues; Has Stock in Treasury

The annual report of Grandview Mines for the year ended December 31 last, now in the hands of shareholders, shows current assets of $31,638 as against current liabilities of $2,200, leaving a working capital of $29,438 as compared with $41,433 for the previous year.

Milling operations were suspended on January 17, 1930, after approximately 90 tons of lead concentrates had been shipped. No zinc concentrates were shipped owing to the unfavorable state of the zinc market. During the balance of the year, following suspension of milling operations, development work was continued.

The following is a comparative statement of income accounts for 1930 and 1929.

Income Account, Years Ended Dec. 31

	1930 $	1929 $
Sales, lead concent.	5,118	27,866
Sales, zinc concent.	.....	64,375
Oper. income	5,118	92,241
Less: Oper. exp.	11,975	199,395
Adminis. & gen. exp...	3,096	7,753
Depreciation	31,199	31,250
Oper. loss	41,152	146,157
Add non-oper. income ..	1,148	5,810
Trans. to devel. acct. ...	40,004	140,347

Depreciation is provided for at the rate of ten per cent on plant and equipment.

Has Stock in Treasury

The company has an authorized capitalization of $1,500,000 in 50-cent par value shares, all of which is outstanding, but there remains in the company's treasury 166,284 shares which have been turned back for the benefit of the company and are available for financing.

The company is a Washington incorporation of 1928, but the stock is listed on the Standard Stock & Mining Exchange in Toronto and the Vancouver Stock Exchange, and was financed to a large extent in Canada.

In State of Washington

The property consists of approximately 400 acres in the Metaline mining district of Washington, just south of the international boundary. It is equipped with a 200-ton daily capacity lead and zinc concentrator completed in April, 1929, which was in operation until the early part of 1930, when declining lead and zinc prices forced a suspension of operations.

The company is directed by Washington interests headed by John F. Davies, who is president.

Southern Lowery No. 1 On Production Test

Southern Lowery No. 1 well in Turner Valley, jointly owned by the Lowery Petroleums and Imperial Oil, was placed on a production test late last week following the bringing in of the well with an initial production of approximately 5,000,000 cu. ft. of wet gas.

Official announcement as a result of the test is expected at an early date.

Cobalt Price Is Now Lower; Old Camp Ails

The silver mines in the Cobalt area of Ontario are experiencing the dual handicap of descending silver as well as cobalt prices, as a new schedule for cobalt ore now prevails.

The revision of cobalt prices, it is claimed, has been brought about to a large degree through shipments to German refiners of cobalt. Deloro Smelting & Refining Co., and the Union Miniere, are two of the world's principal producers of cobalt.

The present world production of cobalt is approximately 11,000 tons annually and the indirect effect of shipping to the German refiners has been that they were forced to offer their refined products lower than the two principal producers, which is now weakening the market for the metal.

The cobalt ores were largely neglected in previous mining operations at Cobalt, and the mining of this ore in recent years, with its fairly stable price, has remained the one ray of hope for this old camp. The influence of German competition at this time, necessitating downward revision of prices, is regarded as particularly unfortunate.

COLUMARIO TO GET CASH IT REQUIRES

Remaining Treasury Stock to Be Issued; Debts Are Small

An arrangement has been made with Toronto interests to further finance Columario Gold Mines. All the authorized stock will be issued to provide funds.

At the meeting of shareholders on December 16 last, it was stated that 902,531 shares of the $1,000,000 in $1 shares authorized, were outstanding. At that time there was no indebtedness except small current accounts.

At the property, which consists of a group of 22 claims on Kitselas Mountain, three miles south of Usk, B.C., development has been resumed and plans call for further drifting on the Nos. 6 and 7 veins. When this development is completed an umpire assay will be made; $2,500 of the funds arranged for have been earmarked for this service.

The company has made careful assays as development has progressed, and if the umpire assay substantiates these, the present financial group have agreed to finance the construction of a 50-ton daily capacity concentrator. The funds advanced for the mill are to be secured by a mortgage against the property, which is to be paid for out of earnings from milling operations. As a bonus for this financing, the principal shareholders have agreed to donate a block of stock held by them.

The company is directed by Fred J. Hickey, pres., J. C. Richardson, sec.-treas., and John Callahan, vice-pres., all of Toronto.

Lorne Gold Shareholders Debate Merits of Two Offers

The meeting of Lorne Gold shareholders held in Vancouver recently, failed to settle the financial plans of the company.

The offer made by the Bralco Development & Investment Co. received the greatest share vote, but the offer of the Toronto General Trusts Corp. was favored by the majority of the shareholders.

The conflict between the respective groups has remained unsettled owing to the new British Columbia Companies' Act which overrides all previous acts, and provides that, if not otherwise determined, each shareholder has one vote. According to this interpretation, the Toronto General Trusts Corp. plan was favored.

Offers $97,000 on Mortgage

The offer of the Toronto General Trusts Corp., was to advance $97,000 to pay the balance owing on claims, which is to be secured by a first mortgage at 8 per cent repayable in one year with the right of renewal for a further period not exceeding two years. In consideration of this loan, $50,000 bonus was asked. Within 18 months the mortgagees might apply the bonus or any portion of it against the purchase of shares of the company at graduated prices from 15 to 25 cents per share.

The offer of the Bralco Development & Investment Co. was for the formation of a new company, giving stock back to the present shareholders for the stock now held.

The financing of the company, whose property consists of a number of gold claims in the Bridge River district of British Columbia, has been a history of misfortune, the last financial sponsors being Stobie, Forlong & Co., whose assignment interrupted the company's financial plans. Early this year the Premier Gold Mining Co. took an option on the property, but dropped it after an examination.

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CASH PROVIDED SO MOSS MINES MAY CARRY ON

100-ton is Planned For Old Thunder Bay Property

Shareholders of Moss Mines are in receipt of official statement from Norman R. Fisher, president of the company, advising that an agreement has been entered into with strong interests which permits of enlarged development and gives assurance of the installation of the proposed mill of 100-tons initial capacity.

Under the terms of the agreement an option is given on 1,166,038 shares until January 31, 1932, to net the company 40 cents each, which upon completion will provide the treasury with approximately $500,000. This is deemed sufficient to carry out development and construction.

Estimate 50,000 Tons

Moss Mines was incorporated with an Ontario charter in March, 1927, to develop and rehabilitate one of Ontario's earliest gold and silver mining operations. It has an authorized capitalization of $4,000,000 in $1 par value shares of which 2,767,295 shares were outstanding on December 31, 1930. Upon completion of the present financial arrangements all of the shares are to be outstanding.

The company's property consists of approximately 900 acres in Moss township, Thunder Bay district, Ontario. The early operators sank a two-compartment incline shaft to a depth of 140 ft. on the No. 1 vein system and established levels at 75 and 125 ft. depths, doing approximately 130 ft. of drifting.

In 1928 the present company completed a new three-compartment vertical shaft to a depth of 400 ft. and established levels at 125, 250, 375 ft. depths and has done to date, approximately 5,650 ft. of lateral work.

Substantial commercial ore bodies have been exposed showing approximately 50,000 tons of ore having an average recoverable value of $15 per ton. It also has considerable tonnage of lower grade ore which is estimated can be properly mined and treated in the new mill.

An annual meeting of the company is called for February 23 at which time it is proposed to change the name of the company to that of Moss Gold Mines, Ltd.

SHER.-GORDON PLANS TO WORK ONE MILL UNIT

Directors Decide Course Despite Low Base-metal Prices

Directors of Sherritt-Gordon Mines met on February 12 and decided, despite the existing low prices of copper and zinc to put one unit of the new mill, having a capacity of 600 tons daily, into operation.

The company's new 1,800 ton daily capacity mill, consists of three units of 600 tons each, two units of which are designed for treating the copper ore, low in zinc, and a third designed for treating zinc ore, low in copper, but until an improvement in zinc prices is imminent the zinc flotation will not be installed.

Gets Power From Hudson Bay

Mill construction is about two months behind plans, but next week is expected to witness the commencement of the flotation equipment since the coarse crushing plant is already filling the ore bins. Electric power for operations reached the property early in July and is supplied from the Hudson Bay Mining & Smelting development on the Churchill River. Initial ore will be taken from the vicinity of the main shaft, the first three levels of which in places are stated to average 5.15 per cent copper, 3.1 per cent zinc, 80 cents in gold and 48 cents in silver per ton. The last official estimate of the ore in the west zone was given at 3,271,900 tons averaging 2.91 per cent copper, 2.76 per cent zinc, 37 cents in gold and 47 cents in silver per ton, which is considerably lower than the ore adjacent to the main shaft.

The concentrates produced will be shipped to the new smelter of the Hudson Bay Mining & Smelting Co., with which company it has a ten-year contract.

Ottawa Mines Department Tells of Its Clay Tests

A memorandum, No. 44 of the series, has been issued by the Department of Mines at Ottawa, Ceramics Division, outlining the department's facilities for the testing of clays.

The memorandum outlines the methods of testing and gives instructions for the shipment of samples, the testing of which is carried out gratis except for special tests.

The ceramic testing and research laboratory of the Department of Mines ranks with the best on the continent and the facilities it offers are not well understood. At all times it is anxious to co-operate in carrying out tests, and individuals with clay showing interesting characteristics are assured the co-operation if sent to the Department for tests.

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Dr. MacKay Gets Barlow Prize for Year

Dr. B. R. MacKay of the Geological Survey of Canada, has been awarded the Barlow Memorial Prize for 1930 for his paper entitled "Stratigraphy and Structure of the Bituminous Coal Fields in the Vicinity of Jasper Park, Alberta."

The Barlow Memorial Prize is an annual prize of $50 in gold for the best paper presented to the Institute during the year on economic or applied geology. The award is in memory of Dr. Alfred B. Barlow, a noted Canadian geologist who was drowned when the Empress of Ireland was sunk in 1914. The prize will be awarded to Dr. MacKay at the Annual Convention of the Canadian Institute of Mining and Metallurgy to be held in Ottawa on March 4, 5 and 6.

N. S. COMPANY PLANS TO REVIVE OLDTIME MINES

Backers Believe King-Fissure Property is Group of Promise

A development report has been sent to shareholders showing progress made at the King-Fissure Gold Mine being developed by the United Goldfields of Nova Scotia. The company's property consists of 964 acres, being a consolidation of a number of areas including most of the old Libbey property and the original King property, in the Brookfield gold district, Queen's County, Nova Scotia, situated one-half mile from Brookfield Station on the Canadian National Railway.

The history of the area dates back many years and has produced to date approximately $700,000 in gold, mostly from the Libbey Mine. Current developments centre around the exploration of the King-Fissure which has been partially developed to a depth of 150 ft. On the 50-ft. level the vein shows an average width of three ft. while on the 150-ft. level it averages over 5 ft., and has been traced 600 ft. east of the present shaft and 300 ft. west.

To Modernize Mill

The property is equipped with a complete mining camp and mill, the relic of former operations, which consists of a steam power plant and three batteries of five stamps each.

Upon completion of the financial arrangements the company proposes installing hydro-electric power from a nearby transmission line and rehabilitating the mill. Simultaneously with milling operations the development of the property will be carried to lower depth.

United Goldfields of Nova Scotia, Ltd., is a Nova Scotia incorporation with an authorized capitalization of $3,000,000 in $1 par value shares. The company is headed by Dr. D. W. MacKay, M.P.P., of Liverpool, who is president and managing director.

GREENE-STABELL MAY HAVE MILL IN NEAR FUTURE

Engineers Say Property Warrants Further Investment

Plans are under way for a small mill at the Greene-Stabell Mines, according to a statement of J. E. Hammell, president of the company.

Alternative proposals are being considered, but J. E. Grant, who designed the Granada-Rouyn mill has been asked to prepare plans for a 100-ton mill similar to the one at that property.

The property, which consists of three lots in Dubuisson township, Quebec, about 50 miles south of Amos, has been developed by a vertical two-compartment shaft to a depth of 600 ft. Four levels have been established at intervals of 150 ft. An ore body on the surface was traced for 270 ft. when it was cut off by a post ore fault. It was again encountered on the 450 and 600 ft. levels and shows ore averaging $13 per ton in gold over an average width of 3½ ft.

B. H. Budgeon reported on the property and estimated that there was 5,000 tons of ore averaging $40 per ton in gold. Altogether, the ore blocked out is estimated at 30,000 tons, assaying $13 per ton.

Late in 1929, prior to Mr. Budgeon's report, E. W. Todd made a report on the property and stated that development work had not progressed far enough then to make an accurate estimate of the ore reserve, but that indications were that a small mill was warranted.

The ore dressing department of the Dominion department of mines, as well as independent engineering companies, has reported the ore to be amenable to successful treatment by flotation and amalgamation.

It is planned with a small mill, development operations can be carried out simultaneously with production, which will permit of development work being self-sustaining.

Mr. Hammell has already financed the company to the extent of $100,000 for which he has taken treasury stock. In addition he has loaned $51,000 to carry out development work. This loan is not pressing and is to be paid back out of production.

In April, 1929, Harker Gold Mines purchased 250,000 shares of the company's treasury stock at 40 cents per share. At the present time current assets total $19,060 including $16,899 in cash, against this there are current liabilities of $976.

Plans for additional financing have not been completed, but Mr. Hammell says outside interests are negotiating, but that he may decide to provide the necessary funds himself.

Of the $3,000,000 capitalization authorized at the time the charter was obtained, 2,251,005 shares have been issued, which provides 748,995 shares for further financing.

Manitoba Mining Grows

The year 1930 was the best yet in the mining history of Manitoba in the matter of advances toward mineral production, says the Western Canada News Bulletin. Mining expenditures that year were 15 per cent over the previous year's figure of $12,500,000.

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Model Oils Limited

Head Office: 7 Cameron Block
CALGARY, ALBERTA

February 11th, 1931.

The Directors of Model Oils Limited take pleasure in announcing a decision to pay dividends totalling twelve cents per share on the issued Capital Stock of the Company during 1931, subject to production continuing at a satisfactory rate. This Dividend will be paid in quarterly installments and the first installment of three cents per share has been declared and will be paid on and after the 16th of March, 1931.

Formal Notice of each Dividend when declared will be announced in advance quarterly.

Model Oil well No. 1 came into production on the 31st day of March, 1930, and has increased from 90 barrels per day to an average of 186 barrels per day at the present time.

Your Directors have not decided on a drilling programme and no obligation will be incurred to jeopardize the payment of the above Dividend. There are no lease drilling obligations and the only liabilities are current accounts.

At the present rate of production the well is earning over 22 cents per share per annum, and the above Dividends are therefore assured, and this after deducting one-eighth Royalty and Government tax of five per cent.

Shareholders are requested to see that their shares are registered in their own name and with the proper address on the books of the Company at their registered office, 7 Cameron Block, Calgary, Alberta.

The books of the Company for the transfer of shares will be closed on the 5th day of March, and will remain closed until the 16th day of March, 1931. The Dividend will be paid to Shareholders of record on the books of the Company at the close of business on the 5th of March, 1931.

Transfer charge 35c for each new certificate.

MODEL OILS LIMITED,
W. C. Fisher, Manager.

MOSS MINES LIMITED

(NO PERSONAL LIABILITY)

Montreal, P.Q., February 10th, 1931.

To the Shareholders:

Dear Sir or Madam:—

Your Directors desire to report what has been accomplished in the development of your property to date and the financial position of your Company resulting from arrangements recently made.

Your property consists of a group of claims embracing about 900 acres situated in the Township of Moss, District of Thunder Bay, Ontario.

The geological conditions in general surrounding the property are exceptionally favorable for the occurrence of gold deposits of economic importance, being similar to those embracing the gold deposits of the Kirkland Lake district of the same Province.

Two shafts have been sunk, the main shaft, which is vertical and of three compartments, to a depth of 400 feet, and the other, which is inclined and of two compartments, to a depth of 140 feet.

The main shaft has been located and designed for the purpose of supplying ore to the mill and being carried to greater depth as development proceeds. It is fully capable of handling the increasing tonnage which is expected to result from the further development of the vein system, both laterally and at depth.

From these two shafts, the lateral workings from which are connected, over a mile of underground exploration and development work has been done at intervals of 125 feet, 250 feet and 375 feet from the surface.

Substantial commercial ore bodies have been exposed, comprising approximately 50,000 tons of high-grade ore having an average recoverable value of $15.00 per ton, and a considerable tonnage of lower grade ore which can be profitably mined and treated in the mill.

This reserve is ample to assure the steady operation of the proposed mill whilst additional ore is being opened up by the development work which will proceed concurrently.

Shareholders will recall that before the deeper development programme was launched it was the expressed opinion of our engineering staff and an independent consulting engineer that the ore bodies on the property would improve at depth, and it was decided to proceed boldly to depth to prove the correctness of these opinions.

It is gratifying to be able to state that these expectations of improvement have been amply confirmed by the result of work done at the present lowest level, 375 feet from the surface. At this level not only has the quartz content of the vein system increased materially but the precious metal content has also augmented.

Calculated to the same width the average value of the commercial ore shoots on the 125-foot level is $16.23 per ton, whereas on the 375-foot level the average value has increased to $19.37 per ton.

Experience with deposits of like character existing elsewhere under similar geological conditions, such as those of the Kirkland Lake area, suggest that this improvement will continue as still greater depth is reached. It is, therefore, our intention to proceed actively with the deeper development of the property with the confident expectation that there will be a progressive improvement until we reach the parent mass of the feldspar porphyry dykes, to which the ore bodies are intimately related, where the ore bodies should be at their best.

In short, therefore, considering the highly favorable geological conditions surrounding your property, the grade and the extent of the ore already exposed in its present workings and what is in prospect in the extension of these workings, both laterally and to greater depth, it enjoys all the requirements for developing into an enterprise of outstanding commercial importance and may truly be classed as an unusually attractive gold mining venture.

An agreement has been entered into with strong interests which permits of an enlarged programme of development work at the property and also gives every assurance of the installation of the proposed initial mill unit of 100 tons capacity which will place your property on a commercial basis.

The terms of the agreement provide for the issue of the balance of the treasury stock of your Company at 40c per share net to the Company and when this issue is completed your Company will have received approximately $500,000.00. This sum is ample to finance the installation of the contemplated 100-ton mill and the additional mine and power equipment necessary to carry on the broader operations proposed, and also to provide adequate working capital.

Minimum payments are provided to maintain the purchasers' rights, under the agreement, and the substantial amounts of these payments which have been made in anticipation of their due dates warrant your Directors in expecting that funds will be forthcoming in good time to permit of the early completion of the whole programme.

On behalf of the Board,
NORMAN R. FISHER,
President.

W.-HARGREAVES COST IS HIGHER BUT PROFIT TOO

14 Cents Available For Dividends; Increase From 8 Cents

RECOVERY IS $2,431,896

Production Expense is $7.21 But Write-offs Are Much Larger Than in Other Recent Years

Wright-Hargreaves Mines earned a net profit, in the fiscal year ended December 31, 1930, of 14 cents per share after write-offs, on its 5,500,000 shares outstanding, compared with 8 cents per share in 1929. In the same period it provided for a dividend of 5 cents a share which was paid on January 2, 1931, marking the resumption of dividends.

The net profit totalled $789,489 after writing off $51,379 for depreciation and $119,394 on deferred accounts.

Record Has Varied

The record of earnings after depreciation and write-offs for the past seven years, is as follows:

Year	Earnings
1930	$ 789,489
1929	444,935
1928	487,818
1927	914,016
1926	1,178,746
1925	969,677
1924	459,850

Production during the past year showed a substantial increase over previous years and marks the best year in the history of the company, but 1928 still stands as the record year for tonnage of ore treated. In the spring of 1929 the capacity was reduced from approximately 700 tons daily to about 350 tons daily after which it was gradually increased until for the fiscal year just ended it treated an average of 602 tons of ore daily.

Recovery at Peak

The following is the production record since commencement of operations:

Year	Tons Milled	Recov. Per ton	Bullion Recovered
1921*	36,081	$13.00	$468,665
1922	66,181	11.52	762,752
1923	79,242	9.52	754,978
1924	84,487	12.89	1,088,725
1925	147,939	12.93	1,913,401
1926	153,892	14.02	2,150,844
1927	209,164	10.51	2,151,916
1928	236,331	7.20	1,845,923
1929	188,238	9.25	1,741,872
1930	220,430	11.03	2,431,896
	1,441,485	$10.62	$15,310,792

*6 months.

Costs Are Higher

Production costs in 1930 totalled $7.21 per ton as compared with $7.18 per ton in 1929. The extensive development work carried out during the past two years reflects the higher operating cost. In the year just ended development and exploration costs showed the highest in the history of the company, being $2.05 per ton. This amount, however, included 97 cents per ton for ore developed in excess of milling requirements.

The following is the record of production costs for the past few years:

Production Costs per Ton of Ore, Years Ended December 31

	1930 $	1929 $	1928 $	1927 $	1926 $	1925 $	1924 $
Devel. & explor.	*1.08	1.93	1.27	1.13	.70	.75	.97
Mining	2.93	2.91	2.27	2.13	2.23	1.96	2.27
Milling	1.10	1.24	1.05	1.15	1.20	1.16	1.44
Taxes and marketing	.36	.21	.19	.38	.74	.74	.63
Gen. and adminis.	.52	.65	.52	.63	.54	.50	.74
Total oper. costs	6.01	6.94	5.30	5.42	5.41	5.11	6.05
Deprec. & write-offs	*1.74	.24	.17	.70	1.32	1.52	1.72
Total costs per ton	7.75	7.18	5.47	6.21	6.73	6.63	7.77
Recovery per ton	11.03	9.25	7.20	10.51	14.02	12.93	12.89
Profit per ton	3.28	2.07	1.73	4.30	7.29	6.30	5.12

*A cost of 97 cents per ton for ore developed in excess of milling requirements was written-off.

Ore Reserves Greater

Reflecting the greater amount of development work done, the ore reserves now total $7,334,604 or approximately 2¼ years' supply for the present mill capacity.

Following is a comparative statement of ore reserves:

Ore-Reserve Estimate

	Tons	Grade	Value
On hand Jan. 1 '30	418,877	11.30	$4,727,551
Devel. in 1930	421,158	12.57	5,294,881
	840,035	11.93	10,022,432
Milled in 1930	220,430	12.20	2,687,828
Bal. Dec. 31, '30	619,605	11.83	$7,334,604

Working Capital Up

The working capital showed a considerable increase over the previous year owing to the greater bullion recovery. The capital expenditures during the year amounted to $196,572.

Comparative statement of working capital is as follows:

Working Capital

	1930 $	1929 $	1928 $
Curr. assets	2,194,788	1,337,979	920,814
Curr. liab.	445,716	89,756	93,392
Work. capital	1,749,072	1,248,223	827,422

Half of Drifting in Ore

M. W. Summerhayes, general manager of the company, commented on operations in the annual report as follows:

"Developments during the year were most satisfactory. Some 421,000 tons of ore were developed, having an average grade of $12.50 per ton. After deducting 220,430 tons milled, over 200,000 tons were left to be added to our ore reserves.

"Of the 17,837 feet of drifting done in the twelve months, 8,429 feet were on ore.

"The most important feature of this year's development work was the remarkable persistence of the ore shoots on the 2,250 level, where 2,141 feet of ore were opened up.

"On the 1,875 and 2,125 levels, over 1,100 feet of ore were opened on each level.

"The balance of the ore found was well distributed in the upper workings, from the 200 level down.

"On the two lower levels there was a considerable improvement in the South Vein ore bodies, the values being higher and more consistent.

"The better grade of ore mined has been largely due to our being able to control the dilution from the walls of the orebodies, as well as to the more intensive sampling and supervision given in the stopes.

"In the upper levels, where there is no available fill we have found the open stull stoping the most satisfactory. On the lower levels, however, both 'horizontal' and 'rill' cut and fill stopes are giving excellent results.

"The No. 3 Shaft was extended from the 2,100 to the 2,400 level. This was done by raising 150 feet, then sinking 171 feet. Only a small amount of development has been done on the new 2,400 level, enough, however, to prove up the continuity of both the north and south vein systems.

"The programme of development laid out for the coming year is to sink the No. 3 Shaft to the 3,000 level, then the opening up of four new levels together with the continued work on the 2,400 level.

"We anticipate no difficulty in being able to maintain the present grade and tonnage during the current year.

"In the mill, the new equipment planned for in the beginning of the year was finally installed and finished late in October; since that time the extraction has been very much improved and we believe is in line with the most up to date metallurgy in the district. Further research is being carried on with the expectation that a still better extraction may be obtained."

Write-offs Larger

The feature of the 1930 income account is the larger amounts written off, $215,120 being written-off on account of the amount of development work in excess of that required to supply the mill. In addition $119,394 of deferred amounts was written-off, making the total write-offs for the year including depreciation, $385,793.

The following is a comparison of the income account with that of previous years:

INCOME AND SURPLUS ACCOUNT
Years Ended December 31

	1930 $	1929 $
Bullion produced	2,431,897	1,741,872
Less oper. exp.:		
Devel. and explor.	236,249	363,417
Stoping	424,524	345,431
Transf. & hoist. ore	226,597	203,040
Milling	243,685	238,603
Marketing bullion	16,911	12,152
New roads & gen. surface	6,580	7,220
Stock & transf. chgs.	4,796	3,655
Taxes	62,000	27,000
Gen. & adminis. exp.	104,692	112,379
Net oper. earn.	1,106,863	433,975
Add non-oper. income:		
Exchange	2,520	9,098
Interest	60,302	39,706
Rent & etc.	4,113	105
Discounts earned	1,584	1,345
Miscellaneous	......	5,840
Total net earnings	1,175,382	490,069
Less: Depreciation	51,379	45,134
Devel. written off	215,120	......
Defer. amts. writ. off	119,394	......
Net profit	789,489	444,935
Less dividends	275,000	......
Surplus for year	514,489	444,935
Add. Prev. surplus	808,470	358,274
Adjustments (taxes)	275	5,749
Less adjustments	23	488
Balance carried forward	1,323,211	808,470

*Deficit.

Dividend Record and Earnings per Share—

Earned	$0.14	$0.08
Paid	0.05	...

Model Oils Pays At 12-Cent Rate

Directors of Model Oils have announced a dividend distribution of 12 cents per share annually, payable quarterly. The initial distribution of three cents per share will be made on March 16 to shareholders of record March 5.

In an official notice to shareholders it was announced that No. 1 well, located in L.S.D. 8, section 22-20-3-W 5, in Turner Valley, had been drilled to production on March 31, 1930, at a total depth of 5,868 ft., or 68 ft. in the limestone. The initial production of approximately 90 barrels of crude naphtha daily, has increased the current production of 186 barrels daily. This production, officials state, is earning over 22 cents per share per annum on the 690,000 shares of $1 par value each outstanding, and is a net earning after deducting one-eighth royalty and government taxes.

THE GOLD STOCKS OF KIRKLAND LAKE

Information on Request

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CASEY MOUNTAIN SURFACE WORK REPORTED GOOD

Pilot Mill to Be Built; May Pay Development Cost

Casey Mountain Operating Syndicate owning a gold-silver prospect in the Summit Lake, area, Patricia district, Ontario, is negotiating and planning for the construction of a small mill to be erected this summer.

Surface exploration has been carried out which has disclosed a number of quartz veins. No. 2 vein, showing on the surface for a length of 106 ft., gave assays of about $10 per ton in gold across an average width of 2.07 ft. Diamond drilling on this vein along a lateral extent of 600 ft. to a depth of 180 ft. disclosed visible gold in every hole and high grade in five of the six holes drilled. The average width of the vein at depth was approximately 6 ft. Early this year arrangements were made for taking in a new steam sinking plant to develop the property. It is planned that simultaneously with the sinking operations, sufficient ore can be treated in the small mill, which will be in the nature of a pilot or test plant, to pay operating expenses.

R. G. Williamson, president and general manager of the company is now in New York to arrange for financing.

MANY ENGINEERS TO ATTEND MINE MEET

Ottawa Scene of Gathering on March 4, 5 and 6

Among the many prominent United States engineers who have signified their intention of attending the Convention of the Canadian Mining Institute in Ottawa on March 4, 5 and 6, are Dr. Alfred C. Lane, president of the Geological Society of America; Robert E. Tally, general manager of the United Verde Copper Co. of Arizona, a new president of the American Institute of Mining & Metallurgy; and A. W. Allen, Editor of Engineering and Mining World, New York.

The programme for the Convention has just been issued and a comprehensive list of subjects has been arranged for. Among the papers to be presented are:

"Some Notes on Present Day Conditions in the Mining Industry of Canada," by Professor W. G. McBride, McGill University.

"Aerial Exploration," by W. G. Jewitt of Trail, B.C.

"Economics of Canadian Gold Production," by S. H. Logan, general manager of the Canadian Bank of Commerce.

In addition to these a paper on "The Prospects for Natural Gas in the St. Lawrence Lowland," will be given by John B. deMille. W. G. Hubler will discuss mill practice at the Amulet Mill, one of the first mills in Canada to develop a treatment for the complex copper-zinc-iron ores of Quebec.

An excellent programme of entertainment has been provided, two luncheons being given at which the chief speakers will be Hon. Geo. Black, speaker for the house of commons, and the Hon. J. R. Perrault, minister of roads and mines for Quebec. At the annual dinner on Friday evening, March 6, the Hon. W. A. Gordon, Federal Minister of Mines, will be the speaker.

Alberta Sees Rush To Lost Gold Mine

News of a platinum find in the Livingstone Range in the Alberta foothills, about 75 miles south and west of Calgary, has started a rush to the area, according to reports from Lethbridge.

A late report from Calgary states the find to be gold instead of platinum, which recalls the story of the lost Leman Mine in 1870.

Old residents of this district tell the story of a man named Leman who discovered a rich "white gold mine" somewhere west of Nanton, through the friendly Indians of the district. Leman left for Idaho to bring his family to Alberta and develop his find, but failed to return and all track of the mine was lost as the Indians alone knew of its location.

The recent find is believed by local residents as the probable source of Leman's find.

Over 100 claims have already been staked in the area.

As early as 1864 gold was discovered in Alberta south of Edmonton. A few years later a number of placer mines were worked in that vicinity. The peak of the production was reached in 1896 when 2,661 oz. were reported, being but little less than that produced in the previous year in Ontario. In recent years the production of gold in Alberta has been practically nil. In 1929 five oz. was reported.

Co-operation in developing the new find is being rendered by the Mines Department and the police who are accompanying the rush.

Say Only $25,000 Needed For Wayside Consolidated

Wayside Consolidated Gold Mines, owning a gold prospect in the Bridge River area, Lillooet Mining Division of British Columbia, is being financially sponsored by Victoria interests.

Three tunnels have been driven in on the vein system on the Wayside claim and a lower adit has been driven parallel, permitting the vein to be crosscut and developed from a depth of over 600 ft. Altogether over 1,900 ft. of drifting has been done, which is said to have definitely proven the existence of commercial ore. It is estimated that a further expenditure of $25,000 will place sufficient payable ore in sight to warrant the construction of a mill, and present financing is to permit the resumption of development work.

The company was incorporated in 1928 with an authorized capitalization of $2,000,000 divided into 4,000,000 shares of 50 cents par value each, of which 2,123,967 shares are issued. James Witcombe of Vancouver is president of the company.

Cabane Ronde Oil Gets Better Business Attention

Better Business Bureau of Montreal has investigated the affairs of the Cabane Ronde Oil & Gas Syndicate which is offering the public participation in a project to develop the natural gas and oil resources in the district of Cabane Ronde, situated on the north shore of the St. Lawrence, a few miles from Montreal. The present offering is 5,000 units, one-half of the total authorized, at a price that will net the treasury $7.50 per unit.

Better Business Bureau of Montreal says that Norris T. Bryant, who is the principal of the enterprise and who is directing the affairs of the company, needs no introduction to the investing public as he has been directly or indirectly connected with many unsuccessful companies. His activities in the past have been investigated by authorities, some of his companies being the Bryant-Isard & Co.; Bryant Bros. Ltd., and Bryant & Lehan Co., all of which have found their way into the hands of

OLD COLONY MINES PLANS BOND ISSUE

Hopes to Get $100,000 For Debts and Further Work

Directors of Old Colony Mines, have tentatively planned a re-organization of the company that will permit of the liabilities being discharged and provide funds for further work.

A new company is planned that will take over the assets of the present company and will issue first mortgage notes to the extent of $100,000. Approximately $30,000 of the proposed note issue has been subscribed, for conditional upon a minimum of $75,000 being subscribed.

The outstanding liabilities of the company are approximately $70,000, mostly owing to the successors of the defunct Stobie, Forlong & Co. which was the financial sponsors of the company.

The company owns two complex metal properties, one in Cerbat Range, Wallapai mining district of Arizona, 14 miles from Kingman, which was a former producer and in past years yielded approximately $2,000,000 from above the 400 ft. horizon. The other property of the company is an undeveloped prospect in the Red Indian Lake area of Newfoundland.

When plans are formulated it is planned to call a meeting of the shareholders.

KOOTENAY FLORENCE WOULD ISSUE NOTES

May Form New Company to Revive British Columbia Project

At a recent meeting of directors of Kootenay Florence Mining Co., held in Vancouver, a plan of reorganization of the company was tentatively endorsed which involves the issue of $100,000 in first mortgage notes running for two years with interest at 7 per cent.

A new company is to be formed, known as the Kootenay Florence Consolidation, to take over the present company. It is to have an authorized capitalization of $1,000,000 in 25-cent par value shares, of which approximately 1,000,000 shares will be exchanged for stock in the old company on the basis of one new share for each six shares held. Subscribers to the note issue will also have the right of conversion into stock at the rate of 15 shares for each $1 in notes.

A syndicate is being formed to take up any part of the note issue not subscribed by the shareholders. It is planned to retire the obligations of the old company which aggregate approximately $50,000. Over $25,000 has been tentatively subscribed to the note issue, contingent upon at least $50,000 additional being subscribed.

The company was incorporated with a British Columbia charter in October, 1926, and a capitalization of $1,200,000 dividend in 6,000,000 shares of 20 cents par value each. Its properties consist of 18 Crown-granted claims on the shore of Kootenay Lake, two miles north of Ainsworth, B.C., which has been worked on and off for many years, its greatest period of activity being from 1916 to 1920. The present company was sponsored by Stobie, Forlong & Co., which sold treasury stock at 40 cents per share. Engineers estimated three years' supply of lead-zinc-silver ore in sight at the time work was suspended early in 1930, following the bankruptcy of Stobie, Forlong & Co.

Sinking Fund Would Save Investment in Benny Mines

Benny Mines, an Ontario incorporation of 1930, is financing and inviting the public to participate in the "first guaranteed mining investment."

The details of the Benny Mines offering may be new, but the principle is well known and consists of purchasing sinking fund bonds with a large proportion of the capital subscribed, which are payable in full at maturity, in this case 27 years.

In simplest terms, the plan is to appropriate a large portion of the money raised, which will accumulate at compound interest in 27 years the equivalent of the subscription price. In the meantime the investor is out 27 years' interest. It is a means of financing that is resorted to frequently by companies whose investment merits are ordinarily not in themselves attractive.

The company has an authorized capitalization of $2,000,000 in $1 par value shares of which 500,000 shares are outstanding while the present offering consists of 250,000 shares. Its properties consist of a group of claims in Moncreit township, 46 miles north west of Sudbury, where grab samples have shown the complex zinc-silver-copper-lead-gold value.

W. J. Lappin of Toronto, is president of the company.

LAKE SHORE NOW LEADS HOLLINGER IN GOLD OUTPUT

January Figures Show Kirkland Lake Camp Ahead of Porcupine

Lake Shore Mines now, for the first time is the greatest gold producer in Ontario and in Canada. This is shown by the report of the Ontario department of mines which reveals that, for January, Hollinger took second place.

Reports from the gold mines of Ontario for January to the Ontario department show that while the total value was below the figures for December, 1930, it was in excess of all previous months except December, 1927. The January production in tonnage and value was also well in advance of the average monthly output for the previous year, both at Porcupine and Kirkland Lake.

During January producing mines in order of output, by camps, were as follows:

Porcupine—Hollinger, McIntyre, Dome, Vipond, Coniaurum, March, and Porcupine United.

Kirkland Lake—Lake Shore, Teck-Hughes, Wright-Hargreaves, Sylvanite, Kirkland Lake Gold, and Barry-Hollinger.

Northwestern Ontario—Howey.

Teck-Hughes is Third

Individual mines in order of greatest output were Lake Shore, Hollinger, Teck-Hughes, McIntyre, Dome, Wright-Hargreaves, Sylvanite, Vipond, Howey, Coniaurum, Kirkland Lake Gold, Barry-Hollinger, March, Porcupine United.

Monthly Output of Ontario Gold Mines (Gold and Silver Values)

Source & period:	Ore milled Tons	Total value crude bullion
Porcupine:		
Calendar year 1930 (preliminary)	2,557,609	$17,697,382
Average per month	213,134	1,474,782
January, 1930	210,554	1,460,600
January, 1931	252,324	1,672,676
Kirkland Lake:		
Calendar year 1930 (preliminary)	1,274,530	17,218,593
Average per month	106,211	1,434,883
January, 1930	101,443	1,281,838
January, 1931	128,477	1,649,436
Total for calendar year 1930 (gold mines only) preliminary	3,941,833	35,385,274
Average per month	328,486	2,948,773
Total for Jan., 1930	311,997	2,742,488
*Total for Jan., 1931	394,233	3,289,032

*Includes Northwestern Ontario.

Mining Stock Index Again Records Gain

The weighted index number of 17 mining stocks computed by the Dominion Bureau of Statistics on the base of 1926 = 100 was 73.4 for the week ending February 12th, as compared with 72.7 for the previous week.

Eleven gold stocks rose from 72.1 to 72.6. Gold copper stocks represented by Amulet and Noranda rose from 82.7 to 83.7. Four silver and miscellaneous stocks rose from 33.2 to 34.7.

Noranda Manager Becomes Consultant

Announcement is made by James Y. Murdoch, K.C., president of Noranda Mines, that broadening of the company's interests has made necessary some changes in the organization of the company.

Ernest Hibbert, who, since November, 1925, has been manager at the mine, has been appointed consulting engineer. He will be at the head office in Toronto and in addition to acting in an advisory capacity on the mine and smelter operation, will act as general consultant in connection with the operation of the new copper refinery at Montreal and other outside interests of the company.

H. L. Roscoe, who has acted as assistant manager, becomes manager at the Horne mine and smelter at Noranda, Quebec.

Following a visit to the mine last week, by J. Y. Murdoch, K.C., president of the company, together with other officials, it is announced that the No. 3 shaft, now at a depth of 1,600 ft. will be deepened at once to an immediate objective of 2,000 ft.

Diamond drilling below the 1,500 ft. level has indicated a continuation of the high gold values in the "H" ore body and the present plan is to further develop this ore body at depth.

Trail Smelter Receipts

Following is a statement of Ore Received at the Trail Smelter for the period February 1st to 7th, 1931, inclusive:

Name of Mine	Locality	Tons
Bell	Beaverdell	52
Total Company		8,726
Grand Total		8,778

PLAN TO REVIVE ANKERITE MINE

Report $100,000 is to Be Raised to Pay Debt, Develop Workings

A group associated with the March Gold Mines has formed with Ankerite Gold Mines Syndicate, which proposes raising $100,000 to finance the Ankerite Gold Mines, now idle.

Of the finances to be provided, $80,000 is to be used to complete the payments on the property and the balance is to be used to rehabilitate and bring the property into operation.

The history of the property, which consists of approximately 115 acres in Deloro township, two miles from Dome Mines, and is equipped with a 300-ton mill, has been one of indifferent financial success. In 1922, control of the property was acquired by the North American Gold Corp. of Delaware from a Mr. Smith to whom it was deeded by the old Ankerite Mining Co. In 1924 an option on this property was exercised by the Porcupine Goldfields Development & Finance Co., of London, England, which formed the present company in 1925 to acquire the North American Gold Corp., on the basis of one share of Ankerite Mines for each share in that company. Porcupine Goldfields Development & Finance Co. owns over 86 per cent of the outstanding capitalization, but itself is now in liquidation.

Non Operative Since Early 1929

Ankerite Gold Mines is capitalized at $2,000,000 of which $1,500,000 is issued to North American Gold Corp., over 86 per cent of which is owned by the Porcupine Goldfields Development & Finance, all of which is deposited as part security against its $500,000 8 per cent five-year gold notes issued in 1926.

Milling operations were started by the present company in June, 1926, but operations were suspended early in 1929. During 1928 the mill treated an average of 182 tons of ore daily, recovering an average of $4.35 per ton in gold.

CANAM METALS SELLS ITS ASSETS

Shareholders to Be Offered Tenth of Stock in New Company

At a recent meeting of shareholders of Canam Metals Ltd., approval was given for the sale of the company to a new company with a Delaware charter and a capitalization of 500,000 shares.

The present company was incorporated with a Dominion charter in November, 1928, and in May last year The Financial Post pointed out that a reorganization of the company seemed necessary. On previous occasions The Financial Post emphasized the weak financial structure of the company, particularly commenting on the initial dividend payment of a year ago, at a time when lead and zinc prices were diminishing.

Although the company has a Dominion charter its principal interests are in the tri-State lead district of Oklahoma, Missouri and Kansas. The company was sponsored in Canada by Stobie-Forlong & Co.

Under the terms of the reorganization shareholders in the present company will be entitled to exchange for stock in the new company on the basis of one new share for each ten old shares held. At the present time there are approximately 2,500,000 shares outstanding of the 3,000,000 no par value shares authorized, calling for a distribution of approximately 250,000 of the new shares, which are to be held in escrow for two years. In the meantime, notes in the new company will be offered to holders of stock in the old company to finance operations. These notes will bear interest at not less than six per cent.

Wainwright West Oils Reports Well in Texas

Wainwright West Oils, a Toronto company incorporated in March, 1929, with a capitalization of 1,000,000 shares of no par value, has just brought in a well having an estimated open flow of 7,000 barrels daily, in the Rusk county field at depths from 3,650 to

It is reported that there is no proration schedule governing the production in that section of Texas and that the company has made a contract for the disposal of its entire production to one of the refining companies.

Production is reached in the Rusk county fields at depths from 3,650 to 3,800 ft. and the company has made ready to start another well adjacent to the one completed.

On the company's acreage in Nacasota county drilling is proceeding at a depth of approximately 4,000 ft.

FREDERICK G. TODD
Landscape Architect
920 Castle Bldg., MONTREAL
Marquette 9617

Algonquin Holders Approve of Transfer

Shareholders of Algonquin Mines met on February 11 and approved of transferring its property to operating companies to be formed, thus becoming a holding company.

New York financial interests are said to be behind the proposal, who have already formed the North Ontario Gold Mines Corp., which will take over and finance the development of a group of 18 claims in Tyrrell township, giving one share in this company to holders of each five shares of Algonquin. Five companies in all are to be organized and Algonquin shareholders are to receive one share in each of these five operating companies for every five shares held in Algonquin.

Algonquin Mines was incorporated with an Ontario charter in 1922 to develop a gold prospect in the West Shining Tree area of Ontario. Preliminary exploration work was carried out on the property in 1922 and was then suspended until 1927 when it was resumed, to be again shut down in May, 1928, for lack of cash. The company has a capitalization of $5,000,000 in $1 par value shares of which approximately 1,600,000 shares are outstanding.

Conroyal Makes Effort To Raise More Cash

Officials of Conroyal Gold Mines are negotiating with United States interests to provide funds so that operations at the company's property may be resumed. An auditor's statement is now being prepared.

Conroyal owns a gold property, consisting of two claims in Lebel township, Kirkland Lake area, that has had a shaft and winze sunk to a depth of 1,115 ft. with levels established at 300, 550, 675, 800, 925 and 1,050 feet.

The company was incorporated with an Ontario charter in 1929 and has an authorized capitalization of $5,000,000 in $1 par value shares, of which approximately $3,300,000 is outstanding.

8 Gold Stocks have increased in value as a group 21% in the last seven months

These Stocks are:

Lake Shore	Hollinger
Kirkland Lake	Dome
Wright-Hargreaves	McIntyre
Teck-Hughes	Sylvanite

Are these stocks now a good investment for a rise or for a hold, at present prices? What other opportunities are there?

The facts about each of Canada's mines—the company, officers and directors, properties, plant and equipment, development, ore reserves, capitalization, funded debt, balance sheet, production, earnings, dividend record, stock market record—are given in the latest Financial Post Survey of Mines which every investor should have beside him at the present time.

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Union Trust Company

LIMITED

Richmond and Victoria Streets - Toronto

Balance Sheet and Profit and Loss Account, December 31st, 1930

Total Assets $18,000,000.

Capital, Reserve and Undivided Profits $1,752,456.

Board of Directors

Henry F. Gooderham, K.C. *President*
J. H. McConnell, M.D, *Vice-President*
Walter C. Laidlaw
S. R. Parsons
Walter H. Smith
T. W. Duggan
John B. Laidlaw
H. H. Beck
W. D. Steele
L. Clarke Raymond, K.C.

C. D. Henderson *General Manager*

CAPITAL ACCOUNT

Assets		Liabilities	
Mortgages, and sale agreements	$1,112,026.78	Capital Stock, fully paid	$1,000,000.00
Bonds and Stocks	368,666.77	Reserve Fund	700,000.00
Loans on Collateral	69,210.53	Dividend Payable Jan. 2nd, 1931	17,500.00
Real Estate	159,490.57	Bonus 1% Payable Jan. 2nd, 1931	10,000.00
Other Assets	235,761.51	Loan from Bank (since retired)	150,000.00
Cash on hand and in Banks	18,997.56	Taxes and Other Liabilities	34,197.14
		Profit and Loss	52,456.58
	$1,964,153.72		$1,964,153.72

GUARANTEED TRUST ACCOUNT

Mortgages on Real Estate	$3,529,050.37	Trust Funds for Investment	$2,468,920.59
Victory, Municipal and other Bonds	346,651.59	Trust Deposits	1,415,060.29
Loans on Collateral	2,030.25	Capital Account	157,949.29
Cash on hand and in Banks	164,197.96		
	$4,041,930.17		$4,041,930.17

ESTATES, TRUSTS AND AGENCIES ACCOUNT

Funds and Investments	$11,816,037.28	Estates, Trusts and Agencies	$11,816,037.28
Total Assets	$17,822,121.17	Total Liabilities	$17,822,121.17

PROFIT AND LOSS ACCOUNT

Dividends and bonus	$ 80,000.00	Balance forward December 31st, 1929	$ 122,405.41
Depreciation on Equipment	1,200.00	Profits for 1930, after providing for cost of management, Directors' and Auditors' fees	124,221.43
Taxes and Fees	12,970.26		
Special Reserve	100,000.00		
Balance forward	52,456.58		
	$ 246,626.84		$ 246,626.84

To the Shareholders of the Union Trust Company, Limited

We have audited the books and accounts of the Union Trust Company, Limited, at the Head Office in Toronto and Branch Office in Winnipeg for the year ended December 31st, 1930, and certify that the above statements of Assets and Liabilities and Profit and Loss are in accordance therewith.

We have verified the securities and the bank and cash balances by actual inspection or by certificates from the depositories. The trust funds and investments are kept separate from the Company's own funds and investments and are shown on the books as belonging to the trusts, estates and agencies.

We have formed an independent opinion as to the position of the Company and, according to the best of our information and the explanations given us, certify that the foregoing statements set forth fairly and truly the state of affairs of the Company. All transactions of the Company which have come within our notice have been within the powers of the Company.

A. B. BRODIE, C.A.
D. McK. McCLELLAND, F.C.A.
of the firm of
PRICE, WATERHOUSE & CO.

Toronto, January 26th, 1931.

SIMPSONS EARNS ON ITS "A" STOCK $5.61 PER SHARE

$2.61 Shown on "B" After Deductions of Prior Charges

WORKING CAPITAL UP

Latest Report Gives No Accurate Basis of Comparison—New Company in Operation 19 Months

Simpsons Ltd., holding company for the Robt. Simpson Co. department stores and mail-order business, for the year ended January 28, 1931, reports earnings of $3,277,687 before depreciation, bond interest, taxes, and subsidiary preferred dividends. For the seven months ended January 29, 1930, (but after Robt. Simpson Co. bond interest had been deducted), earnings were $1,807,855. Figures for the five months prior to the organization of the new company are not available.

The previous full year for which figures are available was that ended Jan. 30, 1929, when net earnings, after Robt. Simpson Co. bond interest of about $82,000 were $2,962,693.

Earns $5.61 on Class "A"

Net profits available for dividends in the last year were $1,344,776 compared with $1,010,580 in the previous seven-month period and $1,645,180 in the full year ended Jan. 30, 1929.

Profits per share have been as follows:

	1931	1930 (7 mo.)	1929
Robert Simpson pfd.	$65.21	$44.08	$70.28
Simpsons Ltd. pfd.	11.95	10.11	*
Class "A" com.	5.61	5.26	*
Class "B" com.	2.61	2.26	*

*None of these issues outstanding as at date of report.

In calculating the earnings per share on the two classes of common stock, cognizance has been taken of the preference feature of Class "A" The Class "A" is entitled to the first $3 earned and paid and the Class "B" entitled to the next $3 paid before there is any further participation in earnings for Class "A." As Class "B" earnings, after deducting $3 on the Class "A," do not exceed $3 per share, there is no point in calculating earnings on the two classes of stock together. There are 120,000 shares of each class of common stock. The present rate of dividend on the Class "A" stock is $2 per share.

Interest Earned 3.47 Times

With respect to the Robt. Simpson Co., preferred, profits have been calculated after deducting tax provision, bonuses, etc., and interest on the Robt. Simpson first mortgage, but before collateral trust bonds of the parent company.

Bond interest on all bonds outstanding was earned 3.47 times in the last year, compared with 4.88 times in the previous seven months 8.19 times on the bond issues outstanding in the old company at the end of the 1929 period.

Fixed charges, owing to the financing resulting from the expansion of the company's facilities in Toronto and Montreal, are materially greater, as will be seen from a glance at the comparative income and surplus account. It will be noted, also, that depreciation in the latest report shows after net earnings, whereas previously it was charged with operating costs:

	Jan. 28, 1931 $	Jan. 29, 1930 $	Jan. 30, 1929 $
Net earn.	3,277,687	1,807,855	2,962,693
Less:			
Int. on 5% 1st mtg. R. S. Co.	80,485	......	......
Div. pfd. R. S. Co.	201,000	119,830	201,000
Int. 6½% bds. Simpsons Ltd.	638,,751	346,154	346,797
Profits tax	101,000	143,750	248,305
Exp. re pfd. issue	......	......	170,934
Bonuses	135,000	187,541	359,883
Depreciation	776,675	......	......
Net profits	1,344,776	1,010,580	1,645,180
Less:			
Pfd. div. (old)	......	......	139,126
Com. div. (old)	......	......	400,000
Res. for com. div. (old)	......	......	100,000
Pfd. div.	671,136	379,176	......
Class "A" div.	240,000	60,000	......
Res. Class "A" div.	......	60,000	......
Surp. for year	433,640	511,414	1,005,454
Add: Prev. surp.	511,414	......	2,782,360
Bal. forward	945,054	511,414	3,787,814

The operating profit and the net available for dividends is more succinctly set forth, for a longer period, in this table:

	Operating Profit	Net Available for Dividends
*1931	$3,277,687	$1,344,776
†1930	1,807,855	1,010,580
1929	2,962,693	1,645,180
1928	2,773,857	1,631,504
1927	2,501,788	1,424,337
1926	1,933,194	985,394

*Before depreciation.
†Seven months' period of new company to Jan. 29, 1930; figures for previous months (old company) not available.

Fixed Assets $24,000,000

The great increase in the investment is shown by the following table which lists the balance sheet valuations of fixed assets and the offsetting item of depreciation:

	Fixed Assets	Depreciation
†1931	$23,991,125	$1,219,433
†1930	21,665,984	459,308
‡1929	21,469,090	......
*1928	13,691,306	4,908,591
*1927	13,298,254	4,344,915
*1926	13,160,647	3,768,236
*1925	13,105,087	3,225,117

†New company.
‡Pro forma, new company.
*Old company.

Working Capital Higher

The present company and its predecessors always have maintained a strong working capital position and an increase in the net current assets again is recorded:

	Working Capital	Current Assets	Current Liabilities
1931	$9,629,870	$12,791,467	$3,161,597
1930	9,457,971	13,148,710	3,690,971
*1929	7,769,661	12,001,326	4,231,665
1928	7,797,302	10,747,731	2,950,429
1927	7,503,061	10,043,908	2,540,847
1926	7,161,515	10,071,446	2,909,931
1925	6,153,739	9,083,650	2,929,911

*Pro forma statement; new company.

Inventories Lower

The following table shows the amount of inventories and accounts receivable for several years past:

	Inventories	A/C Receivable less reserve
1931	$7,444,473	$4,892,774
1930	8,385,499	4,164,863
1929	8,869,315	3,124,940
1928	7,923,854	2,305,837
1927	7,428,033	2,054,140
1926	7,351,667	1,877,999
1925	7,075,572	1,416,717

In view of the fact that retailers generally have been endeavoring to keep inventories at a low figure, it is not surprising to find Simpsons Ltd. recorded a reduction of some $900,000 in the amount of merchandise on hand. The increase in accounts receivable, C. L. Burton, the president remarks, is due almost entirely to the increase in the number of deferred-payment transactions. "The experience with these accounts," says Mr. Burton, "is highly satisfactory."

Among the current assets is $364,286 prepayments for materials. The same item a year ago was $518,717 and in previous years did not vary greatly from that figure. Prepaid charges, now standing at $1,051,567, are up from $821,964. As at January 29, it was estimated that $225,286 would be required to complete payments on the new Montreal store, which was opened in November.

The company has no bank loan.

The 5 per cent first mortgage of the Robert Simpson Co. now totals $1,569,403, a reduction from $1,675,496. These bonds are held almost entirely in England. The 6 per cent preferred of the Robert Simpson Co., the second charge on the assets remains, of course, at $3,350,000. As was stated a year ago, a separate report of the Robert Simpson Co. is no longer published.

Funded debt of Simpsons Ltd., now stands at $11,052,200. Of the original 6 per cent issue, $197,800 has been redeemed; a further $1,250,000 issue, at 5½ per cent, was sold principally in the year to take care of expenditures in Montreal. For similar reasons, the outstanding preference stock was increased from $10,000,000 to $11,250,000.

Ritz-Carlton Hotel Report Lower Profit

From Our Own Correspondent

MONTREAL.—At the annual meeting of the shareholders of Ritz-Carlton Hotel Co. of Montreal, the chairman pointed out that in common with other hotel companies, due to a falling off in tourist and other travel, revenues for the year ended December 31, 1930, were decreased a considerable amount as compared with those of 1929.

The following were elected directors and officers of the company for the current year: President, Sir Charles B. Gordon; vice-president, J. M. Mackie; directors, Sir H. Montagu Allan, Sir Herbert S. Holt, William Harty, Elwood B. Hosmer, Hartland B. McDougall, Charles D. Wetmore; manager, Emile C. Desbaillets; secretary-treasurer, F. E. McNally; chief accountant, M. J. B. Fisher.

N. BAWLF GRAIN PASSES DIVIDEND ON SENIOR STOCK

Operations Fall Below Earlier Expectations of Directors

From Our Own Correspondent

MONTREAL. — N. Bawlf Grain Co. has deferred payment of dividends on its preferred shares; there is $2,000,000 of this stock outstanding. With the exception of $495,000 of a subsidiary company's bonds, the preferred constitutes the first charge on earnings.

Evidently operations have not been maintained at the level anticipated earlier in the current fiscal year. In October, 1930, it was officially stated that crops in practically all districts served by the company's elevators were very greatly improved and indications then were that the volume of business handled in the current year would compare favorably with the average of past years operations.

While the last fiscal year proved unprofitable, earnings in the preceding period were equal to $21.50 a share on the preferred after all charges and liberal provision for depreciation. All grain companies suffered alike last year due to unprecedented conditions in the wheat market.

In the fiscal period ended July 31 1930, operations of N. Bawlf Grain resulted in a loss of $257,172 as compared with a profit of $605,751 in the preceding year. After deduction of bond interest, depreciation and payment of preferred dividends there remained a net deficit of $500,704 for the year. Balance forward into the current year was $567,084.

Balance sheet position was impaired to some extent. Working capital was lower at $204,261 a drop of about $550,000 while bank loans were shown to be outstanding to the extent of $443,100. It was pointed out in the annual report to shareholders that the company had handled only 35 per cent of the volume of grain handled in the previous year.

Underlying the preferred stock, is a bond issue of $495,000 of the Bawlf Terminal Elevator Co., a subsidiary operating a terminal elevator at Port Arthur. The company is controlled by Bawlf Grain through stock ownership.

In addition to the preferred there are 60,000 shares of no par common stock issued on which one dividend of 50 cents, paid in November, 1929, has been distributed. It is interesting to note that this dividend comprises the only disbursement that has been made on presently issued junior shares of any grain company in which there is a public investment interest.

B.C. Export Lumber Trade Maintained During 1930

Forestry production in British Columbia showed a marked decline in 1930, but not nearly as serious as lumbermen generally had expected, according to the annual review of conditions compiled by the provincial forestry service.

The total cut of timber in 1930, these figures show, was 2,663,752,000 feet as against 3,346,144,000 feet in 1929.

The most significant and hopeful feature of the review is the announcement that the great water-borne export trade of the province maintained a volume of 712,299,000 feet, as against 801,-18,000 feet in the previous year.

This is a substantial falling off, but compared with the business of 765,566,000 feet recorded in 1928, the 1930 total is seen to be still high.

CONSUMERS GAS VOTES TO EXTEND MAINS OUTSIDE

City of Toronto Objections Are Not Heeded By Shareholders

Shareholders of Consumers' Gas Co. of Toronto on February 16 approved a by-law authorizing the directors to apply for supplementary letters patent so that the company could exend its mains to municipalities outside Toronto in addition to those already served. The immediate objective is to serve the village of Port Credit and portions of the township of Toronto.

The company also is seeking authority to go eastward as far as Pickering. It already serves parts of East York, North York, Mimico and New Toronto. The New Toronto mains are within 2¾ miles of the village of Port Credit.

Mayor Stewart of Toronto, ex officio a director of the company, acting on instructions of the city council, voiced objections to the plan. The contention is that if the outside operations of the company result in a loss, the loss must be borne indirectly by consumers within the city, inasmuch as the rates for gas are based on the surplus built up by the company after taking care of depreciation and operating expenses and the 10 per cent dividend on the stock.

Say City to Benefit

It has been intimated that the city would withdraw its opposition if the outside municipalities could be called upon to bear any deficiency if the outside services do not bring sufficient revenue to pay the costs of such services. Mayor Stewart pointed to an audit which indicated that the outside services already supplied by the company so far have not been self-supporting.

Arthur Hewitt, general manager of the company, supported the plan. He stated that the city would benefit in that it would get the taxation from whatever additional plant it would be necessary to build within the city. He also pointed out that the United Suburban Gas Co., a subsidiary of United Fuel Investments, Hamilton, had been extending its lines toward Toronto and that it would not be in Toronto's interests to have nearby municipalities served by a Hamilton company.

The city's objection will be carried to the Ontario provincial secretary and possibly to the private bills committee.

RUSSIAN TIMBER OUSTS B.C. PRODUCT

Agent-General Says Preference Worth $40,000,000 Gained For 1931

That Russia during 1930 had obtained an actual preference in the British market for wood products ahead of B. C. Douglas fir, is the information contained in the final report of F. A. Pauline, retiring agent general for B. C. Mr. Pauline reports that although B. C. fir continues to rank first in the imports of Empire softwoods, into Great Britain, the dumping of Russian wood products has culminated. "In an attempt to stabilize prices by the formation of a syndicate of timber brokers in that country who have contracted to buy $40,000,000 of Russian timber in 1931."

"This, it is estimated, represents one-third of the annual soft woods required for this country. So that the Russian Government by its ruthless tactics has achieved a kind of preference in this market, which no other country has."

WABASSO MILLS ACTIVITY RAISED TO NEAR CAPACITY

Present Basis Reported at 85 Per Cent of Rating

From Our Own Correspondent

MONTREAL.—Operations at the plants of Wabasso Cotton Co. are presently being conducted at about 85 per cent of capacity, a distinct improvement over activity in previous months. The position of the company is said to be improving steadily and earnings are reported to be above those of last year.

The betterment in the situation surrounding the company is held to be more a reflection of an operating reorganization carried out two years ago than of any immediate benefits of the revised tariff. Wabasso's production and merchandising policies were thoroughly revamped in 1929 and favorable effects began to be observed last year.

While Wabasso is still manufacturing a comprehensive line of celanese weaves, a policy which was introduced about two years ago with success, present output includes a substantial volume of printed goods for which there is reported to be a good demand.

The company has almost concluded the first eight months of its current fiscal year which will end on June 30 next. In the last fiscal period operations resulted in a deficit of $52,360 after bond interest, sinking fund and provision for depreciation. This was a marked improvement over the results of the previous year when a deficit of $109,677 was reported after all charges.

Wabasso Cottons expects to find the revised tariff advantageous to its operations when the existing surplus of goods, imported into Canada prior to enforcement of the present schedules, is absorbed by the market.

The company operates three mills with a total capacity of 2,100 looms and 100,000 spindles. Following a reversal in demand in 1928 for its chief product, fine white cottons, Wabasso switched over a portion of its output to celanese weaved and colored goods. Aggressive merchandising campaigns were put into force and a wholly owned subsidiary, Mercerizers, Ltd., was formed to act as selling units for the parent company.

Canada Trust Elects Two New Directors

A. R. Cairncross and Dr. Claude Brown, both of London, have been elected to the board of Canada Trust Co., to fill the vacancies caused by the death of Hume Blake, Toronto, and H. S. Blackburn, London.

Mr. Cairncross is the head of a chain of drug stores in London and Dr. Brown is widely known as the supreme director of the Knights of Columbus for Canada and Newfoundland.

Men's Furnishings Industry Maintained Position in 1929

There were 162 firms engaged in the men's furnishings industry in 1929 with an invested capital of $19,654,505 according to the report just issued by the Dominion Bureau of Statistics. Gross value of production amounted to $30,581,862 as against $30,314,552 in 1928.

The principal statistics of the industry in 1929 and 1928 are as follows:

	1929	1928
No. of establishments	162	159
Capital investment	$19,654,505	$21,064,504
No. employed	9,890	9,909
Salaries & wages pd.	$ 7,324,145	$ 7,347,588
Gross val. of prod.	$30,581,862	$30,314,552

SIXTIETH ANNUAL MEETING OF THE ONTARIO LOAN AND DEBENTURE COMPANY

Annual Statement Shows Substantial Progress

Assets Increase By $1,173,793

Former Partially Paid Shares Converted Into Fully Paid, All Shareholders Having Equal Rights

Capital Now $2,000,000, and Reserve Fund $3,200,000

Addresses By President A. M. Smart and Director J. G. Richter

The Sixtieth Annual General meeting of the Shareholders of this Company was held on Wednesday afternoon, 11th instant, at the Company's Offices, London, Ontario, those present being Messrs. A. M. Smart, J. M. Dillon, J. G. Richter, Arthur T. Little, T. H. Main, G. C. Gunn, John M. Gunn, J. S. Lovell, James MacKenzie, F. G. McAlister, Robert A. Coates, Samuel E. Weir, George F. Copeland, O. Roy Moore, Prof. James H. Bowman, J. K. H. Pope, James A. Brown, A. Macpherson, Joseph Jeffery, J. P. Dewan, Thomas F. Walker.

The Chair being taken by the President, Mr. A. M. Smart, the Manager, Mr. T. H. Main, who acted as Secretary, read the notice calling the meeting and the minutes of the last Annual Meeting, were, upon motion, confirmed.

In moving the adoption of the Directors' Annual Report the President, Mr. A. M. Smart, said:

The Sixtieth Annual Report of your Company's affairs, of which I have pleasure in asking your consideration, has been in your hands for some time, and doubtless you are familiar with its contents. To a considerable extent it can be left to speak for itself, clearly indicating as it does the continued progress of the business and enhancement of your property. There are, however, a few points that may be profitable for us to consider together.

We are all familiar with the adverse conditions which have prevailed throughout nearly all countries, including Canada, for the past year. The newspapers keep us fully informed as to them and the many reasons therefor, so many that each of us has a wide range of selection of such as may appeal to him as the more important.

Some of the principal alleged causes applicable to Canada in common with many other countries may be noted. Commencing with collapse of the stock markets in 1929, in which your Company was not directly interested, as it held no stocks among its assets, there are the record low prices for grains, replacement of man power by machinery, overproduction in many important lines, with unemployment and consequent lowered purchasing power. Then there is the shortage of the supply of gold and its ill distribution, over one-half being hoarded by France and the United States. To these causes many others might be added, not the least of which I venture to think is the unsound installment buying at high prices through which a load of debt has in many cases been added to lack of employment. The deflation of commodity prices while causing inventory loss to many producers, manufacturers and merchants, is perhaps not an unmixed evil. When this gets around to the consumer, as it ultimately will, he will be pleased to find his humble dollar will buy him more than he has been used to getting for it. Meantime many forces are even now at work which, with our resolute and capable people, will ultimately rectify the present unbalanced conditions.

We need not label the causes, the depression is obvious and world-wide. The year 1930 has been a trying time and we have reason for congratulation in the results to us embodied in the report.

During the year the former partially paid shares were duly converted, as provided under by-law approved at our last meeting, into fully paid shares. Thus we now have a simplified capital, with all shareholders on the same footing with precisely similar rights. An issue to the shareholders of 5,000 new shares was fully paid, thus increasing the paid up capital to $2,000,000. The premium received thereon, $125,315, together with $74,685 from the Profit and Loss Account, has been added to the Reserve Fund, which now stands at $3,200,000. After provision for the Dominion Income Tax, not due until next May, and payment of the 12 per cent. dividends for the year, our surplus over all liabilities to the Public is $5,241,875.96.

The strength of this position in relation to our Savings Deposits ($1,059,155.24) and Debentures ($6,392,147.43), with all other public liabilities making altogether a total of $7,483,086.77 secured by actual tangible, nonspeculative assets of $12,784,962.73, will be at once apparent to both Depositors and Debenture Holders as it is to ourselves. The liquid position is also strong. Deposits are $1,059,155.24, while our cash and quickly available assets are almost double that amount. It is satisfactory to know that with many people, the speculation mania having passed, they are turning to the investment of their funds in a more stable form, hence the increase in the number and amount of our Debentures, from which they receive a prompt and certain income and this factor of speculation is excluded.

It would be strange, indeed, if under the widespread depression to which I have referred we should not feel some adverse influence. You will hardly therefore expect me to say that payments of either interest or installments of principal have been met as satisfactorily as usual. In Ontario, where the larger proportion of our advances on mortgages are made, it is remarkable how well they have come in and this also applies to urban mortgages in the West. The Western farmer, however, has had a most disappointing year. While the total prairie wheat crop, on which he largely depends, was well up to the average, the prices he has received left him little if any profit to reward his efforts and wherewith to pay his way.

It has been advisable therefore to exercise more leniency in connection with an increased number of our Western farm mortgages, in the belief these arrears will be overtaken later. When this appears unlikely the mortgaged farm has (however reluctantly) to be taken over by the Company. If not disposed of these farms with other Real Estate similarly acquired are only taken into account as amounts they can be reasonably expected to realize, less the appropriations which have been set aside from year to year for this purpose. This total in the statement before us is $20,540.67, as compared with $9,097,22 a year ago and $56,448.72 five years ago.

Not only have we this factor of safety in this connection, but certain current mortgages, which, as sometimes occurs may indicate some weakness, are taken in at less than the full amount of our claim, a practice we have followed in many previous years.

This treatment accounts for the somewhat reduced amount of earnings for 1930, but it makes for safety at the present time, and if found to be unnecessarily conservative the amount will come into our future profits.

While it can hardly be expected that the year 1931 will see al the world-wide troubles set to rights, doubtless much progress will be made and the general conditions improved and stabilized.

The Ontario has just passed its sixtieth milestone, has since its inception returned continuous dividends to its shareholders and accumulated a handsome surplus, a very strong position, a position never stronger in its history and one from which we can look forward with assurance to a continuance of its further prosperity and success in the years to come.

I beg to move that the Annual Report of the Directors be received and adopted.

In the absence through illness of the Vice-President, Mr. C. R. Somerville, a Co-Director, Mr. J. G. Richter, seconded the adoption of the report and spoke as follows:

Doubtless the matter of most interest to our shareholders last year was the increase in our capital stock, as referred to by Mr. Smart. The conversion of the old 20 per cent. paid stock to fully-paid shares followed by the issue of a quarter milion dollars of new stock, was well received and was, we had every reason to believe, carried through to the entire satisfaction of the shareholders.

Those shareholders who took up their allotment of new shares at the favorable issue price, and the greater proportion did so, gained an 8 per cent. investment of the highest class. Those who preferred to sell their rights, which brought from $6 to $6.50 per share, received in this manner a cash bonus equivalent to a 1 per cent. extra dividend for each of twelve to thirteen years back.

The record of this Company has been one of steadily increasing returns and security to its shareholders, while at the same time augmenting the security for its depositors and debenture holders by the building up of a reserve fund so proportionately large as to put the Company in a class by itself for strength and stability. This has been done by the old-fashioned method, carried out for many years, of conservative and careful direction and management, with expenses and development kept always in sound proportion to earnings.

During the year the alterations to the Company's building, to allow of our own use of the whole ground floor from Dundas street through to the Market, as well as of part of an upper floor, were completed. The cost of these alterations has been taken care of from earnings so that the Company's only office premises is carried as before, at the very moderate figure of $40,000, a sum less than one-third of 1 per cent. of our assets.

As our report shows, our only other real estate item is the changing one that represents those properties acquired as a result of default in mortgages and for which advantageous sales were not possible during the year. These are taken into account at a reduced value of $20,540.67, this amount being less than one-sixth of 1 per cent. of our total resources. Thus Office Premises and Real Estate Held for Sale are together less than one-half of 1 per cent. of the Company's Assets.

The alterations to our Office Premises building besides giving us the additional space badly needed for our staff permitted a new entrance at the Market Square front. This enabled us to set up a separate Savings Department there, which is already proving popular and convenient, bringing us many new friends.

The report in your hands refers to the gratifying increase during the year in our deposits and currency debentures. We regret that conditions of late years have not permitted any growth in or even full retention of our sterling debenture business. Although a reduction is again shown, the decline took place early in the year and during the autumn months new sums were received from Scottish investors, so that the net decrease for the year was small.

We hope this marks a change and that it may again be possible to obtain funds in Great Britain on terms of mutual advantage and to the encouragement of our faithful representatives in Edinburgh, Messrs. Wm. Home Cook & Coy., C. A. and Messrs. Forbes Dallas & Co., W. S.

I have pleasure in seconding the adoption of the report.

The report was adopted unanimously. Scrutineers were then appointed, and the election of Directors proceeded with, Messrs. A. M. Smart, C. R. Somerville, Col. William M. Gartshore, J. M. Dillon, J. G. Richter and Arthur T. Little being re-elected for the ensuing year.

Upon motion by Mr. G. C. Gunn, seconded by James A. Brown, Messrs. A. G. Calder, F.C.A., and George S. Jewell were appointed the Auditors of the Company for the ensuing year.

At a meeting of the Board of Directors held subsequently, Mr. A. M. Smart was re-elected President, and Mr. C. R. Somerville Vice-President of the Company.

Established and Incorporated 1870

Assets increased to $12,784,962.73

Surplus of Assets over Liabilities to the Public $5,301,875.96

DIRECTORS:
Alfred M. Smart, President.
Charles R. Somerville Vice-President.
William M. Gartshore
John M. Dillon
John G. Richter
Arthur T. Little

MANAGER:
Thomas H. Main

DIRECTORS' REPORT

London, Canada, 21st January, 1931.

To the Shareholders:—

Your Directors have pleasure in presenting their report for the year 1930, accompanied by the Balance Sheet and the Auditors' Certificate.

The year was one of substantial progress for the Company.

The issue in April last of 5,000 new shares of Capital Stock, $250,000, was well received by the Shareholders, and was all taken up and fully paid for by 1st October.

This additional Capital and the Premium thereon (which was added to the Reserve Fund) was but part of the new funds received during the year, as Savings Deposits show an increase of $230,333, and the total of the Company's Debentures increased by $526,318.

As the result of the investment of these additional funds the Assets show an increase over the previous year of $1,173,793.

After payment of Provincial and Municipal Taxes, Interest, Expenses and charges, and after making ample provision for possible losses and contingencies, the

Net earnings for the year 1930 are		$315,222.81
Balance brought forward from previous year		49,694.94
From this Total available		$364,917.75
Dividends (Quarterly at the rate of 12% per annum) have been paid	$223,692.00	
Transferred to the Reserve Fund (in addition to the amount of $125,315 premium on new stock issued)	74,685.00	
		$298,377.00
		$ 66,540.75
Provision for Dominion Government Income War Tax (payable 1931)		24,664.79
Balance carried forward		$ 41,875.96

The Paid-up Capital is now $2,000,000, and the Reserve Fund $3,200,000.

The Company's investment in Mortgage Loans increased during the year by $707,116. Mortgage payments have again been very satisfactorily met, with the exception of those on the Company's small proportion of farm mortgages in Western Canada, the serious break in grain prices making it necessary to carry over a larger percentage of payments on these investments than usual. In this connection further provision has been made to cover any anticipated loss.

By-law No. 15 of the Company, which has been in its present form for many years and which, subject to the Loan and Trust Corporations Act of Ontario, governs the lending and investing powers of the Company, requires some changes in order to meet the gradually changing conditions. A new By-law No. 15 will, therefore, be submitted for your consideration, and carries the unanimous approval of the Directors.

The Directors record their regret at the death late in the year of Mr. F. G. Jewell, senior Auditor of the Company, who for 24 years held that position to the entire satisfaction of the Shareholders. The Directors have appointed his son, Mr. George S. Jewell, long associated with the father in his profession, to complete the latter's term of office.

All of which is respectfully submitted.

A. M. SMART, President.

FINANCIAL STATEMENT

31st DECEMBER, 1930

ASSETS:

Office Premises (freehold)		$ 40,000.00
Real Estate held for sale		20,540.67
Mortgages—Principal, $10,454,334.06; Interest, $258,156.77		10,712,490.83
Loans on Stocks and Bonds		189,770.38
Securities of United Kingdom, Dominion of Canada and Provinces of Canada		497,373.35
Securities of Canadian Municipalities, School Districts and Rural Telephone Debentures		611,093.57
Securities Guaranteed by Dominion of Canada and Provinces of Canada		409,290.77
Securities of and Deposits with other Loan Companies of Canada		63,246.79
Cash in Chartered Banks in Great Britain		19,475.54
Cash in Chartered Banks of Canada		217,065.19
Cash in Office		4,615.64
		$12,784,962.73

LIABILITIES

To the Public:		
Debentures, Sterling, including accrued interest	$ 745,753.28	
Debentures, Currency, including accrued interest	5,646,394.15	
		$ 6,392,147.43
Deposits		1,059,155.24
Other Liabilities, including provision for Dominion Income Tax accrued but not due		31,784.10
		$ 7,483,086.77
To the Shareholders:—		
Capital (40,000 shares of $50.00 each, fully paid	$ 2,000,000.00	
Reserve Fund	3,200,000.00	
Quarterly Dividend payable 2nd January, 1931	60,000.00	
Profit and Loss Account, Balance carried forward	41,875.96	
		5,301,875.96
		$12,784,962.73

A. M. SMART, President. T. H. MAIN, Manager.

To the Shareholders of The Ontario Loan and Debenture Company:

We hereby certify that we have audited the books and accounts of The Ontario Loan and Debenture Company continuously throughout the year ended 31st December, 1930, and find them correct and the above statements in accordance therewith. We have verified the Cash and Bank Balances, and have examined the Company's securities and find them in order. All our requirements as Auditors have been complied with, and, in our independent opinion and according to the information and explanations given us, the above statements are properly drawn up and set forth fairly and truly the state of the Company's affairs.

All transactions that have come within our notice have, we believe, been within the powers of the Company.

London, Ontario, 21st January, 1931.

A. G. CALDER, F.C.A. } Auditors.
GEO. S. JEWELL }

WON'T BUY NOW MINORITY SHARES IN SASK. CO-OP.

J. A. Caulder's Interest in Government Show is First Step

From Our Own Correspondent

REGINA.—Although the government of Saskatchewan has purchased from J. A. Caulder his shares in the Saskatchewan Co-operative Creameries, in order to obtain control of that enterprise, it is not purchasing similar shares held by 104 other shareholders. The purchase of Mr. Caulder's shares was made as the first step in a reorganization of the whole enterprise which has become necessary owing to its financial condition and continued losses. Last year's operating loss was in excess of $75,000.

The present organization of the Saskatchewan Co-operative Creameries was effected in 1927, as an amalgamation of a co-operative enterprise under the same name, and Caulder's Creameries, a privately-owned institution, the two then doing the major part of the creamery butter manufacturing in Saskatchewan. The co-operative enterprise had been running at a heavy loss, and the Government was involved, both by reason of direct loans and on account of bank guarantees, to the extent of several million dollars.

Structure is Complicated

A complicated capital structure was established, the net effect of which was to give preference rights to the former holders of common and preferred shares in Caulder's Creameries, and to subordinate to these the claims of the Government against the co-operative company, and the rights of the shareholders in that company.

The holders of common stock in Caulder's Creameries received special amalgamation series "A" shares to the amount of $108,000 to which was attached the right of electing one-half the board of 14 directors until these shares should be retired by purchase. Mr. Caulder was put at the head of the amalgamated enterprise, but subsequently transferred his activities to another creamery institution also operating in the province.

Reorganization of the enterprise again becoming necessary the government desired to eliminate the control of the election of half the board which was in Mr. Caulder's hands by virtue of his ownership of more than half the amalgamation series "A" shares.

Having obtained this, the Government is postponing decision on further steps to be taken until it gets the report of a firm of valuators upon the assets of the organization.

The price paid to Mr. Caulder for his shares was arrived at by negotiation. Under the incorporation act of the company amalgamation series "A" shares were redeemable at par of $10 plus a premium of $3.50 per share, which would have made a total price of $78,705.00. The actual price paid was $55,000.

Holders of the balance of the "A" shares feel that the Government should give them as favorable a deal as was given to the holder of the majority stock, while the holders of $600,000 worth of 7 per cent preference stock also look to the Government to pay them out in the forthcoming reorganization. It is taken for granted that the original holders of Saskatchewan Co-operative Creamery shares have lost all they put into the enterprise, and that essential interest is divided between the Saskatchewan Government and the former holders of Caulder's Creamery shares.

Proposals have been put forward on behalf of milk pools operating in various parts of the province that the creamery plants should be turned over to them for operation. Disagreement on this matter has led to a split in the ranks of the Saskatoon Dairy Pool.

Last year's loss by the creamery company is attributed by the management and by the Government to the steady decline in butter prices last year, and the diminished buying power of the Canadian public. In turn the decline in prices is attributed to Australian and New Zealand competition.

Black & Armstrong
(Successors to Robinson & Black)
REAL ESTATE VALUATIONS
RENTALS
Farm Lands, Mortgages and Insurance
200 STANDARD BANK BLDG.
WINNIPEG, MAN.

Field Fertilizer Produced at Trail Hold Big Future

Experiments Carried Out in Western Areas Using Commercial Chemical Fertilizer Demonstrates Great Possibilities

CON. SMELTERS INITIAL UNIT NOW OPERATING

Co-operation of C. P. Railway, Implement Makers, Agricultural Colleges, Experiment Stations Make For Success of New Product of Mining Company

Coincident with commencement of operations of the first unit of Consolidated Smelters new $10,000,000 chemical fertilizer plant, at Trail, B.C., come the reports of the field experiments, carried out during 1930, in the western provinces, using the fertilizers produced in the test plant at Trail.

The results of the wheat field tests are so obvious that it remains only for the western grain growers, to be acquainted with the merits of the fertilizer and to have demonstrated its economic possibilities with low grain prices, to assure the success of the new industry.

Several Institutions Help

The field experiments carried out were planned in a most painstaking manner, under the direction of qualified agricultural experts. No effort was spared to properly introduce the new fertilizer or to direct its proper application. To this end the railways, the farm implement companies, the agricultural colleges, the experimental stations and Consolidated Smelters, all co-operated. Consolidated Smelters supplied the various kinds of fertilizer, the Canadian Pacific Railway transported it free of charge, the farm implement manufacturers supplied and serviced the drills, the agricultural colleges and experimental stations assisted in its application and various other organizations aided to make the initial experiments the success that they have been.

Major H. G. L. Strange, well-known grain authority, in commenting on the value of fertilizers said that the experiments made in the western provinces the last two years indicate the advantages to be obtained from the use of triple superphosphate and ammonium phosphate in minute quantities when drilled into the ground in contact with the seed.

Cost About $1.15 per Acre

From these experiments it is evident that a cost of around $1.15 per acre extra, advantages of from 10 bushels upwards to the acre have been obtained; from six to ten days earlier maturity; one, two and three higher grades in districts of rust and frost; greater freedom from wire worm and cut worm damage; a more even growth and a more even maturity.

It will be necessary, however, to use a special combined seed drill and it is to be hoped that implement makers will co-operate with the farmer and with his credit organizations to assure that he will be able to have the use of this valuable aid in the reduction of costs and the improvement of the quality of his crops.

In Manitoba remarkable results were obtained where the fertilizer was drilled in with the grain at the time of seeding, whereas broadcast applications to grain generally gave little or no effect. Trials were distributed throughout the grain-growing portion of the province. The fertilizers used were ammonium phosphate and triple superphosphate.

The outstanding observations from these trials may be summarized as follows:

High-grade triple superphosphate and ammonium phosphate drilled in at the time of seeding gave increased yields of wheat ranging from 18 to 50 per cent over the untreated crop and corresponding increase with other grains.

The treated crop invariably showed stimulation early in growth. This was evidenced by increased vigor of foliage in the grain crop and also by increased root development. The fertilizer apparently supplied the treated plants with nutrient material which the untreated plants were not able to obtain under the relatively cold conditions existing in the soil early in the season. It is apparent, therefore, that the treated plants were able to make better use of the available soil moisture and tended to develop a more sturdy growth, which insured that the grain was of a better quality. In some cases differences of as high as three and four grades were observed between the grain from the treated and the untreated crops on the same field.

The trials to date indicate that the fertilizer requirement is not the same in each district and that the rate of application throughout the province should vary with the available moisture.

The rates tentatively suggested are 50 to 85 pounds of ammonium phosphate per acre. If triple superphosphate is used for grain 60 to 100 pounds per acre would be required to give the equivalent amounts of phosphate.

Minimum Gain 6.4 Bushels

The 1930 fertilizer trials were conducted with ammonium phosphate used in comparison with triple superphosphate in all the fields, which were divided into plots of five acres each. One of these plots received triple superphosphate at the rate of 100 lbs. per acre, one at 80 lbs. of ammonium phosphate and one served as a check. In addition 34 co-operators conducted field trials on rate of application at the rate of 60, 100 and 120 lbs. of phosphate, and 50, 85 and 100 lbs. of amonium phosphate. These plots were two acres each in size.

Average increase from these five acre plots show in the Red River valley a gain of from 6.4 to 8.3 bushels per acre, using super, and from 8.8 to 10.5 using ammonium phosphate, with ten trials conducted.

The effects of the fertilizers in the different years upon the crop are only partially shown in the increased yields.

It was commonly noted that though there did not appear to be any difference in the date of the emergence of the young plants on fertilized or unfertilized fields, yet shortly after the emergence a more rapid growth of the fertilized plants would be evinced. This was apparent in greater height and broader leaves and in greater development of root system. On the majority of the fertilized plots of plants were of a darker green color, and this was particularly noticeable where ammonium phosphate was used. Stooling was generally increased by the use of either phosphate or ammonium phosphate and where weeds were present the increased vigor of the grain plants checked the weeds and in some cases tended to prevent them from ripening seeds.

Checks Weed Growth

In some cases the weeds were more or less smothered. This condition obtained particularly where annual weeds were present, although on some trials couch grass and sow thistle were considerably reduced in stand. This observation does not imply that fertilizer will get rid of weeds, but it is important to note that the increased vigor of the treated crops gave them a decided advantage in combating weeds. It was frequently observed that when subjected to dry conditions, the phosphate treated crops suffered less from drought than the untreated plots, due no doubt, in part, to the better root development and the more vigorous and rapid growth induced early in the season. The more vigorous plants on the treated plots also recovered more rapidly in the cases where the crop was subjected to soil drifting and other set-backs.

Plants were reported by some observers to show more or less resistance to root rot.

Heading is Advanced

In each year it was observed that heading was advanced from 3 to 14 days, the ammonium phosphate treated fields being apparently slightly less than the super phosphate. The soil moisture supply appeared materially to affect time of heading. When moisture was lacking the difference between the date of heading of the fertilized and the unfertilized fields was lessened. Ripening did not always coincide with heading, due to the fact that hot dry winds sometimes ripened much of the grain prematurely.

An advantage was noted in fields which usually ripen irregularly, due to soil variation, etc., namely, heading and ripening was more uniform on such fields when phosphate was applied.

A further advantage was apparent under the rust infection of 1930. The phosphate treated fields in many cases matured sufficiently early to escape the severe general infection, the phosphate-treated wheat in some cases grading from one to four grades higher than the unfertilized portion of the same fields.

Saskatchewan Results Are Similar

Over 400 farmers throughout Saskatchewan co-operated in these trials. The fertilizer used was a triple superphosphate carrying 45 per cent phosphoric acid equivalent, and during the second and third years an additional series of experiments was carried on using ammonium phosphate containing 13 per cent ammonia and 52 per cent phosphoric acid.

In general, plots of five acres in area were used, but, in a few cases, extensive field trials of 50 acres or more were used. Rates of application of from 25 to 125 pounds per acre were tested. In many cases, 50 to 60 pounds per acre have given the most economical results.

Most of the test work was done with wheat, and, as a usual thing, the fertilizer gave a much better return with wheat on fallow than with wheat on other than fallow. It has been quite evident that to be effective with our grain crops, fertilizer must be drilled in with the seed. The first apparent effect was an increased development of the root system of the plants. This was reflected in the more rapid and vigorous growth of the young plants, a much darker color, a heavier tillering and a much earlier heading on the treated plots. This rapid development of the young plants had several advantages, the most prominent of which was the smothering effect that the more vigorous crop had on weeds which might be present in the field.

In practically all the tests, the weed growth on the treated plots was much less, and in many cases the difference was so great that good crops were produced on the treated plots, while the check plots were a practical loss through weed competition.

Helps to Prevent Soil Drifting

This early, vigorous growth also had a bearing on many of the other factors which affect crop development. Under some of the conditions of soil drifting experienced in the 1930 season, it provided a sufficient covering to materially reduce the damage on the treated plots, but under the extreme conditions met with in other localities, even the treated plots were seriously damaged or completely destroyed. A very consistent observation that was made of the treated plots was their more even growth. The variation in height of crop so commonly seen in the prairie fields, due to soil variations, was not seen on fertilized fields. This evenness of growth and maturity was of great advantage in harvesting, especially where combines were used. The samples of grain from the fertilized plots generally showed a lower percentage of green kernels than those from the untreated areas.

In addition, it has been noted that the well-known tendency for heavy grain crops to lodge has been definitely decreased by the phosphate fertilizers. The use of fertilizers in fields subject to wire-worm damage in many cases showed a marked advantage. It is probable that this was not due to any value in the fertilizer in reducing the original wireworm damage, but that where the fertilizer was used the remaining plants developed more vigorously and stooled so much more heavily that more nearly a complete stand was secured.

Aids Early Maturity

One of the most striking and important effects of both ammonium and triple superphosphate has been the invariably earlier maturity of fertilized crops. It is important to observe that the greatest advance in maturity of fertilized crops has been noted in districts or under conditions which most urgently demand early ripening in order that frost and rust damage may be averted. Advances of as much as twelve days in time of ripening have been recorded while in the majority of tests the improvement in this respect varied between five and ten days.

Under extreme drought conditions check and fertilizer plots have matured at about the same time, while under conditions which tended to delay ripening, the earliness of the fertilized crop as compared with checks has been most evident. In areas normally subject to rust and frost, fertilizer may be reasonably expected to materially reduce loss from these causes.

Yield Increases Marked

Marked increases in yield have been obtained with wheat, oats and barley on soils over the province as a whole. In general, fallow land has responded much better than stubble, and the darker, more moist soil zones better than the drier zones. Usually the medium and heavier soils have shown greater increases than the sandier soils. Clay types have responded especially well.

Apparently the supply of available soil moisture has been a very important factor in determining the response in any given area. It has been shown also that good cultural practices have increased the chances of success in using the fertilizers. In the majority of cases, earlier seeded crops have responded better than crops of later seeding. Increases in yields of wheat on fertilized lands as compared with the unfertilized have been as high as fifteen bushels per acre, and even higher in a few cases. Increases of seven bushels per acre over untreated plots have been numerous, especially in the more responsive areas. Only a comparatively small proportion of the tests failed to show any increase.

Helps Oats in Alberta

During the past three seasons experiments conducted with the use of chemical fertilizer showed increase in the production of wheat as high as 11 bushels to the acre, oats as high as 21.6 bushels to the acre and as high as seven tons increase in the production of sugar beets.

The fertilizer used in 1928 was triple super-phosphate only; in most cases it was applied broadcast. Practically no general supervision of the work was given; it was supervised in each locality by provincial department agriculture agents. The results obtained were varied, but showed sufficient promise to justify operations on a larger scale, and, accordingly, in 1929 fifty-seven trials were organized. Two types of fertilizers at different rates of application were used in these: the triple superphosphate and ammonium phosphate.

The trials with grains in the 1930 season were organized at 14 different points throughout the province, and enlisted the support of four hundred and one farmer co-operators. Consolidated Smelters appointed a special field man to assist in the general supervision. Special drills were provided at each centre in order entirely to eliminate the broadcasting system of application which had been found to give unsatisfactory results in the seasons of 1928 and 1929. Each co-operator carried out the test with both kinds of fertilizer and two rates of application for each.

The districts in which trials were conducted were selected with the object of making observations on practically all the common Alberta soil types. The results obtained from the use of fertilizer on all of these soils showed somewhat wide variations.

To Experiment Further

The experiments conducted in the season of 1930 show a general increase in favor of the fertilizer. The results which have been stated above are those of one season's work, but the observations made are based, to some extent, on the work conducted in the province in the three seasons during which the trials were under way. A large number of experiments were conducted on a variety of soils covering the main soil types, and also covering, to some considerable extent, the varied conditions which exist in the province.

It is not usual to give out results until experiments have been conducted over a longer period of time than three years, but it is felt, on account of the large number of trials which have been made under such varied conditions, that the results to date should be given publicity. Nevertheless, intensive further experimental work must be conducted with a view to securing additional information respecting the general use of fertilizer for grain growing purposes.

It should be emphasized that best results from the use of fertilizer have been secured on well-tilled land where moisture conditions were adequate, where the fertilizer has been drilled in with the seed, and where it has been applied in proper amounts. As the experiments were conducted in many districts of the province, it would be wise for farmers contemplating the use of fertilizer during the coming season to visit some of those on whose farms trials were conducted, with a view to obtaining first-hand information which will apply to their particular conditions, as closely as possible.

Sugar Beet Tests Favorable

In 46 trials conducted with sugar beets, the results were more uniformly favorable than those obtained generally with grains. It is apparent that the use of commercial fertilizer containing phosphorous gave varied increases in the yield of sugar beets, ranging from two to seven tons per acre.

The effect of their application was observed early in the season by considerably more leaf and root growth on the treated plots than on those not treated. Throughout the season the sugar beet plants appeared more resistant to disease, notably root rot. Phosphate fertilizers apparently shorten the period of maturity and cause the fertilized beets to ripen first by forcing seedlings during the cold spring weather. Fertilized beets, on an average, contained a slightly higher per cent of sugar with greater purity.

As with grain, the greatest increases in sugar beet yields due to fertilizer were obtained on farms where the best cultural practices were followed and where moisture conditions were most suitable for growth.

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January Asbestos Exports Record Substantial Decline

From Our Own Correspondent

MONTREAL. — Operating conditions in the asbestos industry during the first month of the current year have apparently been unsatisfactory, judging by the shipments during that month. Crude No. 1 exports amounted to 15 tons, as against 100 tons a year ago; crude No. 2 shipments amounted to 16 tons, or 53 tons less than in January last year.

On the lower grades of asbestos, the returns show exports of fibre amounting to 2,527 tons in January last, compared with 5,112 tons in the same month a year ago; shorts in bags totalled 3,656 tons or just over half of the exports last year, while refuse in bulk shipments were the same, namely, 30 tons.

Turner Valley Drilling Report

Wells drilled by Imperial Oil

PROGRESS REPORT—Week Ending February 14, 1931

Name of Well	No.	Type	Depth last report feet	Present depth feet	Feet drilled feet	Remarks
Royalite	18		....	....	...	Rigging up to clean out.
Mayland	6	R.	3604	3747	143	Drilling in Fernie.
Lowery	2	R.	3506	5596	90	Drilling in Fernie.
C.D. & P.	1	R.	3855	3855	...	Drilling out cement at 3,650 ft.
S.W. Pete.	2	R.	3112	3227	115	Drilling in lower Benton.
S. Lowery	1	R.	4857	4857	...	Preparing to shoot.
S. Lowery	2	R.	1292	1292	...	Rotary completely fitted.
S. Lowery	3	R.	266	500	234	Drilling in lower Benton.
Merland	1	R.	....	....	...	Sidetracking at 4,448 ft.
Lethbridge	1	S.	1634	1715	81	16 inch casing lowered to 1,764 ft. endeavoring to free casing.

NOTE: R—Rotary. S—Standard. DD—Diamond Drill.

Saskatchewan Government Incurs $12,400,000 Liability On Wheat Pool Guarantee

From Our Own Correspondent

REGINA.—The sum of $12,400,000 was the amount stated in the budget speech of the provincial treasurer as the liability which the Saskatchewan Government had incurred to the banks on account of its guarantee of wheat pool loans last year. It was stated that the Government does not anticipate having to implement its obligations under its guarantees and that the pool officials believe they will be able, out of the earnings of the Saskatchewan Pool Elevators, yearly to reduce the amount of their indebtedness. From this it would appear that the Government expects that the banks will not demand immediate reimbursement, but will be content to carry the obligations until such times as the pool can pay it off. Under the guarantee legislation, the banks have the right to demand repayment from the government as soon as the 1929 crop has been completely sold, and the government has the power to make the necessary payment of money without another special vote of the legislature.

The government has taken security by way of mortgage on all the pool elevators and buildings, with a total valuation of $21,169,321. Against them there are already liabilities for payments due the Saskatchewan Government and the liquidators of the Saskatchewan Co-operative Elevator Company amounting to $3,714,130, giving a net value in the new security of $17,455,191, or placing a total capital debt against the elevator system of $14,114,130.

Another $3,000,000 Ahead

In addition there ranks ahead of the government's claim a special mortgage for $3,000,000, given to secure a bond issue of that amount hypothecated to three lending banks as collateral security for loans on grain made to the Saskatchewan Pool Elevators, and a general claim by the banks against all the elevators in connection with financing the 1930 crop. The provincial treasurer, in making his valuation of the province's security, did not make allowance for the $3,000,000 special mortgage on terminal elevator No. 7, from which it would appear that this special security must have been given in connection with the 1930 crop, and that the loan secured is expected to be liquidated out of the proceeds of the current crop.

The amount of $12,400,000 is not a final amount, but an estimate furnished to the government by the Saskatchewan Pool, on the basis of valuing unsold stocks of grain as prices prevailing on February 10. In official circles the statement is made that the amount had been reduced by several hundred thousand dollars within a few days by the advance which took place in grain prices. It does not appear to make any allowance either for additional carrying charges on grain until sold, nor for accumulating interest until the amount is finally determined. The final amount might be considerably greater. The claim of the banks against the government can only finally be determined when all the grain of 1929 has been sold.

Legislate on Mortgages

It will take longer still to establish the real position of the Government in connection with security, for the handling of the 1930 crop will have to be completed before it is clear whether or not the banks have a subsisting claim against the pool elevators ranking ahead of the Government's security.

Special legislation is to be introduced at the current session legalizing the mortgages the pool is giving to the Government, a fact which confirms the general impression previously prevailing to the effect that the pool had not formerly power to give this security to the Government, although it had power to give it to the banks actually lending money. The mortgages to the Government are to run for 20 years, and to be subject to repayment in equal annual installments, the amount of which, of course, cannot be determined for some time yet.

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MOOSE JAW

A Bright Spot on The Western Map

The West has temporarily been hit by adverse economic conditions, but even now many communities in the West are basically strong in their financial position and prosperous by any standard.

Moose Jaw stands out as a bright spot and example.

The Chairman of the Finance Committee of the City Council recently used these words to a meeting of ratepayers, "We are citizens of a very wealthy city. Moose Jaw is in the best position financially of any city of her size in Canada."

The statement further pointed out the sound manner in which the $2,875,000 which the city secured from the sale of the Moose Jaw Power plant to the National Light and Power Company had been invested and the high yield (in excess of 5%) which these investments were returning.

And not only are the city's finances sound but the standard of living of the average citizen is high. Judged by the number of radios licensed in Moose Jaw in 1930—1702; the number of telephones in use—4,055; the number of electric light meters — 5,457; and the amount of salaries and wages in the city paid by local industries—$1,268,872, which are usually taken as a guide, the buying power of this city of 21,000 people is very substantial.

General conditions in the West affect Moose Jaw but these conditions affect Moose Jaw to a reduced extent since this pivotal and growing city has achieved a sound economic basis through increased industrial activity and greater diversity of occupations.

For further and more detailed information regarding opportunities offered by Moose Jaw, write;

The Commissioner,
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Moose Jaw, Sask.
or
The Industrialization Committee
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This photograph of downtown Toronto and harbour was taken from the R-100 when this giant airship paid its last visit. It reveals in striking fashion the valuable protection to shipping afforded by the "Island," popular recreation centre. It also indicates the extent of available industrial sites in the central waterfront area, land recently reclaimed from Lake Ontario in a comprehensive plan of city development. Photograph by courtesy Canadian Government Motion Picture Bureau

Toronto's Diversity of Industry

INDUSTRY is diversified in Toronto. There are more factories in Toronto than any other Canadian city. Two thousand, two hundred and twenty-one factories produce products of infinite variety. There is no single factory in Toronto upon which a large proportion of the city's population is dependent. There is no single type of industry whose individual prosperity is necessary to the maintenance of general prosperity in Toronto. There is no single branch of industry in Toronto that employs more than one-twelfth of the workers.

This gives stability to industrial employment in Toronto, and is one of the reasons why the city never suffers a very sharp slump in production nor severe unemployment conditions.

The products of Toronto industries find their market in so many different fields and even in so many different countries that a further levelling of the peaks and valleys of production is obtained in this manner.

It is significant that the most productive industry in Toronto is an essential industry—meat packing. Other important industries in the Toronto area are electrical apparatus, printing and publishing, biscuit and confectionery, rubber, clothing, automobiles, soap, farm implements, hardware and tools, etc., but even this recital of different types of industry does not give a picture of manufacturing and production in Toronto, for the backbone of the city's industrial activities is in the hundreds of smaller factories, producing an infinite variety of products, primarily for the great Ontario market, which is over 40 per cent of the total Canadian market, and secondarily for the Dominion and export market.

Toronto is gaining new industries more rapidly than any other area in Canada. This is because of the large buying power surrounding the city, because transportation facilities are unexcelled, because there is skilled labor in almost any line, and because other conditions such as power, taxation, living conditions, water supply, raw materials, factory sites and buildings, etc., are very attractive to manufacturers.

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